FORM 10-K

United States Securities and Exchange Commission
Commission File No. 1-6314
Washington, DC 20549

(Mark One)

☒ Annual Report Pursuant to Section 13 or 15(d) of the Securities Act of 1934.

For the fiscal year ended December 31, 2010.

☐ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

For the transition period from __________-to-__________.

Tutor Perini Corporation

(Exact name of registrant as specified in its charter)

Massachusetts	[redacted]
(State of Incorporation)	*(IRS Employer Identification No.)*
15901 Olden Street, Sylmar, California	**91342**
(Address of principal executive offices)	*(Zip Code)*

(818) 362-8391
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of each exchange on which registered
Common Stock, $1.00 par value	The New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of "accelerated filer", "large accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐	Accelerated filer ☒	Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of voting Common Stock held by nonaffiliates of the registrant was $434,565,224 as of June 30, 2010, the last business day of the registrant's most recently completed second fiscal quarter.

The number of shares of Common Stock, $1.00 par value per share, outstanding at February 25, 2011 was 47,089,593.

Documents Incorporated by Reference
Portions of the definitive proxy statement relating to the registrant's annual meeting of stockholders are incorporated by reference into Part III of this report.

TUTOR PERINI CORPORATION
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PART I.

Forward-looking Statements

The statements contained in this Annual Report on Form 10-K that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including without limitation, statements regarding our management's expectations, hopes, beliefs, intentions or strategies regarding the future and statements regarding future guidance and non-historical performance. These forward-looking statements are based on our current expectations and beliefs concerning future developments and their potential effects on us. Our expectations, beliefs and projections are expressed in good faith and we believe there is a reasonable basis for them. There can be no assurance that future developments affecting us will be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to, our ability to successfully and timely complete construction projects; our ability to win new contracts and convert backlog into revenue; the potential delay, suspension, termination, or reduction in scope of a construction project; the continuing validity of the underlying assumptions and estimates of total forecasted project revenues, costs and profits and project schedules; the outcomes of pending or future litigation, arbitration or other dispute resolution proceedings; the availability of borrowed funds on terms acceptable to us; the ability to retain certain members of management; the ability to obtain surety bonds to secure our performance under certain construction contracts; possible labor disputes or work stoppages within the construction industry; changes in federal and state appropriations for infrastructure projects; possible changes or developments in international or domestic political, social, economic, business, industry, market and regulatory conditions or circumstances; and actions taken or not taken by third parties, including our customers, suppliers, business partners, and competitors and legislative, regulatory, judicial and other governmental authorities and officials. Also see "Item 1A. Risk Factors" on pages 14 through 23. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

ITEM 1. BUSINESS

General

Tutor Perini Corporation, formerly known as Perini Corporation, was incorporated in 1918 as a successor to businesses which had been engaged in providing construction services since 1894. Tutor Perini Corporation and its subsidiaries (or "Tutor Perini," "Company," "we," "us," and "our," unless the context indicates otherwise) is a leading construction company, based on revenues, as ranked by Engineering News-Record, or "ENR", offering diversified general contracting, construction management and design-build services to private clients and public agencies throughout the world. We have provided construction services since 1894 and have established a strong reputation within our markets by executing large, complex projects on time and within budget while adhering to strict quality control measures. We offer general contracting, pre-construction planning and comprehensive project management services, including the planning and scheduling of the manpower, equipment, materials and subcontractors required for a project. We also offer self-performed construction services including site work, concrete forming and placement, steel erection, electrical and mechanical, plumbing and HVAC. During 2010, we performed work on approximately 300 construction projects for over 145 federal, state and local government agencies or authorities and private customers. Our headquarters are in Sylmar, California, and we have thirty-two other principal office locations throughout the United States and certain U.S. territories. Our common stock is listed on the New York Stock Exchange under the symbol "TPC".

Our business is conducted through three basic segments: civil, building, and management services. Our civil segment is comprised of Tutor Perini Civil Construction, Tutor-Saliba Corporation ("Tutor-Saliba"), and Cherry Hill Construction, Inc. ("Cherry Hill") and focuses on public works construction, including the new construction, repair, replacement and reconstruction of the public infrastructure such as highways, bridges, mass transit systems and wastewater treatment facilities. On November 1, 2010 we acquired Superior Gunite, a California based privately held construction company specializing in pneumatically placed structural concrete, and certain related companies. Our building segment, comprised of Perini Building Company, James A. Cummings, Inc. ("Cummings"), Rudolph and Sletten, Inc. ("Rudolph and Sletten"), Keating Building Company ("Keating"), Desert Plumbing & Heating Company, Inc., and Powerco Electric Corporation, focuses on large, complex projects in the hospitality and gaming, transportation, healthcare, municipal offices, sports and entertainment, education, correctional facilities, biotech, pharmaceutical, industrial, and high-tech markets, and electrical and mechanical, plumbing and HVAC services as a subcontractor to the Company and other general contractors. Our management services segment, including Perini Management Services, Inc. ("PMSI"), and Black Construction's operations in Guam, provides diversified construction and design-build services to the U.S. military and government agencies, as well as surety companies and multi-national corporations in the United States and overseas.

On January 3, 2011, we acquired Fisk Electric Company, a privately held electrical construction company based in Houston, Texas, which covers many of the major commercial and industrial electrical construction markets in the southwest and southeast regions with abilities to cover other attractive markets nationwide.

Business Segment Overview

Civil Segment

Our civil segment specializes in public works construction and the repair, replacement and reconstruction of infrastructure, primarily in the western, northeastern and mid-Atlantic United States. Our civil contracting services include construction and rehabilitation of highways, bridges, mass transit systems, and wastewater treatment facilities. Our customers primarily award contracts through one of two methods: the traditional public "competitive bid" method, in which price is the major determining factor, or through a request for proposals where contracts are awarded based on a combination of technical capability and price. Traditionally, our customers require each contractor to pre-qualify for construction business by meeting criteria that include technical capabilities and financial strength. Our financial strength and outstanding record of performance on challenging civil works projects enables us to pre-qualify for projects in situations where smaller, less diversified contractors are unable to meet the qualification requirements. We believe this is a competitive advantage that makes us an attractive partner on the largest infrastructure projects and prestigious design-build, or DBOM (design-build-operate-maintain) contracts, which combine the nation's top contractors with engineering firms, equipment manufacturers and project development consultants in a competitive bid selection process to execute highly sophisticated public works projects. In its 2010 rankings based on revenue, ENR ranked us as the nation's ninth largest contractor in the heavy contractor and transportation markets.

We believe the civil segment provides significant opportunities for growth due to historically large government funding sources aimed at the replacement and repair of aging U.S. infrastructure, including the 2009 multi-billion dollar economic stimulus package, and the increase in alternative funding sources such as public-private partnerships. The economic stimulus package includes significant funding for civil construction, public healthcare and public education projects over the next several years. In addition, multiple dedicated sources of funding for transportation at the local, state and federal levels exist in the form of dedicated taxes, bond funding and the Highway Trust Fund. We have been active in civil construction since 1894 and believe we have a particular expertise in large, complex civil construction projects. We have completed or are currently working on some of the most significant civil construction projects in the United States. We are currently working on SR99 bored tunnel project in Seattle, Washington; the John F. Kennedy International Airport runway widening in Queens, New York; rehabilitation of the Tappan Zee Bridge in Westchester County, New York; various segments of the Greenwich Street corridor project in New York, New York; the I-5 Bridge replacement in Shasta County, California; the Caldecott Tunnel Project near Oakland, California; the New Irvington tunnel in Fremont, California; the Harold Structures mass transit project in Queens, New York; runway paving at Andrews AFB in Maryland; and the construction of express toll lanes along I-95 in Maryland. We have completed work on multiple portions of the Boston Central Artery/Tunnel project; New Jersey Light Rail Transit; the Richmond/San Rafael Bridge retrofit in California; the Alameda Corridor project in California; rehabilitations of the Triborough, Williamsburg and Whitestone Bridges in New York and the Passaic River Bridge in New Jersey; the Jamaica Station Transportation Center in New York; and sections of both the Brooklyn-Queens Expressway and the Long Island Expressway in New York.

In January 2005, we acquired Cherry Hill to expand our presence in the mid-Atlantic and southeastern regions of the United States. Cherry Hill specializes in excavation, foundations, paving and construction of civil infrastructure. The Company's merger with Tutor-Saliba in September 2008 significantly expanded our civil construction presence. Tutor-Saliba is an established civil construction contractor specializing in mass transit, airport, bridge, and waste water treatment projects in the western United States. On November 1, 2010 we acquired Superior Gunite, a California based privately held construction company, and certain related companies, specializing in pneumatically placed structural concrete utilized in infrastructure projects such as bridges, dams, tunnels and retaining walls.

Building Segment

Our building segment has significant experience providing services to a number of specialized building markets for private and public works clients, including the hospitality and gaming, transportation, healthcare, municipal offices, sports and entertainment, education, correctional facilities, biotech, pharmaceutical, industrial and high-tech markets, electrical and mechanical, plumbing and HVAC services to both governments and private non-residential customers. We believe our success within the building segment results from our proven ability to manage and perform large, complex projects with aggressive fast-track schedules, elaborate designs and advanced mechanical, electrical and life safety systems, while providing accurate budgeting and strict quality control. Although price is a key competitive factor, we believe our strong reputation, long-standing customer relationships and significant level of repeat and referral business have enabled us to achieve our leading position.

In its 2010 rankings based on revenue, ENR ranked us as the second largest contractor in the United States in the general building market for the second year in a row. Within the general building category, we were ranked as the largest builder in both the hotel, motel and convention center market and the entertainment facilities market, and the second largest builder in the airport facilities market. We were also ranked the second largest green building contractor in the United States. We are a recognized leader in the hospitality and gaming market, specializing in the construction of high-end destination resorts and casinos and Native American developments. We work with hotel operators, Native American tribal councils, developers and architectural firms to provide diversified construction services to meet the challenges of new construction and renovation of hotel and resort properties. We believe that our reputation for completing projects on time is a significant competitive advantage in this market, as any delay in project completion may result in significant loss of revenues for the customer.

We have been awarded and have recently completed, or are currently working on, large public works building projects including McCarran International Airport Terminal 3 in Las Vegas, NV; the Philadelphia Convention Center in Philadelphia, PA; and the San Bernardino Courthouse in San Bernardino, CA. We have also completed the construction of large, complex projects such as the Airport Parking Garage and Rental Car Facility in Ft. Lauderdale, FL; the Palm Beach International Airport Parking Garage in West Palm Beach, FL; the Los Angeles Police Headquarters in Los Angeles, CA; the San Francisco International Airport reconstruction in San Francisco, CA; the Florida International University Health and Life Sciences Building in Miami, FL; the Glendale Arena in Glendale, AZ; the Stanford University Cancer Center in Stanford, CA; the Johnson & Johnson Pharmaceutical R&D Expansion in La Jolla, CA; and the Kaiser Hospital and Medical Office Building in Santa Clara, CA.

As a result of our reputation and track record, we were awarded and have completed or are currently working on contracts for several marquee projects in the hospitality and gaming market, including Project CityCenter for MGM MIRAGE, The Cosmopolitan Resort and Casino, the Wynn Encore Hotel and the Planet Hollywood Tower, all in Las Vegas, NV, and the Aqueduct Racetrack Casino in Jamaica, New York. We have also completed work on several other marquee projects in the hospitality and gaming market, including Paris Las Vegas in Nevada; Mohegan Sun and the MGM Grand at Foxwoods resort expansion, both in Connecticut; the Morongo Casino Resort and Spa and the Pechanga Resort and Casino, both in California; the Seminole Hard Rock Hotels and Casinos in Florida; the Red Rock Casino Resort Spa, the Augustus Tower at Caesars Palace, the Trump International Hotel and Tower, all in Las Vegas, Nevada; and the Gaylord National Resort and Convention Center in the Washington, DC area.

In January 2003, the acquisition of Cummings expanded our presence in the southeastern region of the United States. Cummings specializes in the construction of schools, municipal buildings and commercial developments. In October 2005, we acquired Rudolph and Sletten, an established building contractor and construction management company based in Redwood City, California, to expand our presence on the west coast of the United States. Rudolph and Sletten specializes in the construction of corporate campuses and healthcare, gaming, biotech, pharmaceutical, industrial, and high-tech projects. In September 2008, we merged with Tutor-Saliba to further expand our presence in the western United States. Tutor-Saliba is an established general contractor with expertise in both civil and building projects, including highways, bridges, mass transit systems, hospitality and gaming, transportation, healthcare, education and office building projects, primarily in Nevada and California for both public and private customers. In January 2009, we acquired Keating Building Company, a Philadelphia-based construction, construction management and design-build company with expertise in both private and public works building projects. The acquisition of Keating has enabled us to expand our building construction market presence in the eastern half of the United States, including the northeast and mid-Atlantic regions.

Management Services Segment

Our management services segment provides diversified construction and design-build services to the U.S. military and government agencies, as well as surety companies and multi-national corporations in the United States and overseas. Our ability to plan and execute rapid response assignments and multi-year contracts through our diversified construction and design-build abilities provides us with a competitive edge. We have been selected based on superior past performance for multi-year, multi-trade, task order and ID/IQ (Indefinite Delivery/Indefinite Quantity) construction programs by the U.S. Departments of Defense, State, Interior and Homeland Security. We have been chosen by the federal government for significant projects related to defense and reconstruction projects in Iraq and Afghanistan. For example, we have completed in excess of two million square feet of overhead coverage protection projects throughout Iraq, a housing complex and a helicopter maintenance facility for the U.S. Government. In addition, we completed work on the design and construction of four military bases in Afghanistan for the Afghan National Army.

We believe we are well positioned to capture additional management services projects that involve long-term contracts and provide a recurring source of revenues as the level of government expenditures for defense and homeland security has increased in response to the global threat of terrorism. This segment has historically focused on regions such as Iraq and Afghanistan, with additional growth opportunities in Guam as the United States military expands its presence in that region. Black Construction, one of our subsidiaries and the largest contractor on the island of Guam, is expected to generate a significant portion of its future revenues from the construction of facilities during the planned expansion of the United States military's presence in Guam. The United States military has announced plans to relocate approximately 8,000 U.S. Marines and other military personnel from Okinawa, Japan to Guam. The work will include new construction, renovation and additions or upgrades to a wide range of facility types including bridges, barracks, dormitories, educational and medical buildings, waterfront-marine facilities, hangars, runways and much more. Our proven abilities with federal government projects have also enabled us to win contracts from private defense contractors who are executing projects for the federal government.

We also provide diversified management services to surety companies and multi-national corporations. We are under agreement with a major North American surety company to provide rapid response, contract completion services. Upon notification from the surety of a contractor bond default, we provide management or general contracting services to fulfill the contractual and financial obligations of the surety.

Markets and Customers

Our construction services are targeted toward end markets that are diversified across project types, client characteristics and geographic locations. Revenues by business segment for each of the three years in the period ended December 31, 2010 are set forth below:

	Revenues by Segment Year Ended December 31,		
	2010	2009	2008
		(in thousands)	
Building	$ 2,326,980	$ 4,484,937	$ 5,146,563
Civil	667,704	361,677	310,722
Management Services	204,526	305,352	203,001
Total	$ 3,199,210	$ 5,151,966	$ 5,660,286

Revenues by end market for the building segment for each of the three years in the period ended December 31, 2010 are set forth below:

	Building Segment Revenues by End Market		
	2010	2009	2008
		(in thousands)	
Hospitality and Gaming	$ 814,768	$ 2,672,799	$ 3,714,822
Transportation Facilities	516,556	419,318	51,175
Healthcare Facilities	283,498	409,216	619,959
Industrial Buildings	260,800	76,917	55,251
Municipal and Government	207,650	273,455	33,688
Education Facilities	113,779	218,943	215,472
Office Buildings	46,493	127,758	298,914
Condominiums	21,489	140,813	97,580
Sports and Entertainment	9,068	41,744	26,136
Other	52,879	103,974	33,566
Total	$ 2,326,980	$ 4,484,937	$ 5,146,563

Revenues by end market for the civil segment for each of the three years in the period ended December 31, 2010 are set forth below:

	Civil Segment Revenues by End Market		
	2010	2009	2008
		(in thousands)	
Mass Transit	$ 392,787	$ 93,053	$ 30,812
Highways	124,386	77,952	103,968
Bridges	109,719	103,354	110,201
Wastewater Treatment and Other	40,398	87,308	57,263
Sitework	414	10	8,478
Total	$ 667,704	$ 361,677	$ 310,722

Revenues by end market for the management services segment for each of the three years in the period ended December 31, 2010 are set forth below:

	Management Services Segment Revenues by End Market		
	2010	2009	2008
		(in thousands)	
U.S. Government Services	$ 152,434	$ 276,833	$ 183,757
Surety and Other	52,092	28,519	19,244
Total	$ 204,526	$ 305,352	$ 203,001

We provide our services to a broad range of private and public customers. The allocation of our revenues by client source for each of the three years in the period ended December 31, 2010 is set forth below:

	Revenues by Client Source Year Ended December 31,		
	2010	2009	2008
Private Owners	47%	70%	85%
State and Local Governments	44%	23%	12%
Federal Governmental Agencies	9%	7%	3%
	100%	100%	100%

Private Owners. We derived approximately 47% of our revenues from private customers during 2010. Our private customers include major hospitality and gaming resort owners, Native American sovereign nations, public corporations, private developers, healthcare companies and private universities. We provide services to our private customers primarily through negotiated contract arrangements, as opposed to competitive bids.

State and Local Governments. We derived approximately 44% of our revenues from state and local government customers during 2010. Our state and local government customers include state transportation departments, metropolitan authorities, cities, municipal agencies, school districts and public universities. We provide services to our state and local customers primarily pursuant to contracts awarded through competitive bidding processes. Our civil contracting services are concentrated in the northeastern, mid-Atlantic and western United States. Our building construction services for state and local government customers, which have included correctional facilities, schools and dormitories, healthcare facilities, convention centers, parking structures and municipal buildings, are in locations throughout the country.

Federal Governmental Agencies. We derived approximately 9% of our revenues from federal governmental agencies during 2010. These agencies have included the U.S. State Department, the U.S. Navy, the U.S. Army Corps of Engineers, and the U.S. Air Force. We provide services to federal agencies primarily pursuant to contracts for specific or multi-year assignments that involve new construction or infrastructure improvements. A substantial portion of our revenues from federal agencies is derived from projects in overseas locations. We expect this to continue for the foreseeable future as a result of our expanding base of experience and relationships with federal agencies, together with an anticipated favorable expenditure trend for defense, security and reconstruction work due primarily to the ongoing threats of terrorism and the planned relocation of approximately 8,000 U.S. Marines and other military personnel from Okinawa, Japan to the island of Guam.

For additional information on customers, markets, measures of profit or loss, and total assets, both U.S and foreign, please see Note 12 of Notes to Consolidated Financial Statements, entitled "Business Segments".

Backlog

We include a construction project in our backlog at such time as a contract is awarded or a letter of commitment is obtained and adequate construction funding is in place. As a result, we believe the backlog figures are firm, subject only to the cancellation provisions contained in the various contracts. Historically, these provisions have not had a material adverse effect on us.

Backlog is summarized below by business segment as of December 31, 2010 and 2009:

	Backlog by Business Segment			
	December 31, 2010		December 31, 2009	
	(dollars in thousands)			
Building	$ 2,663,315	62%	$ 3,125,780	73%
Civil	1,360,084	32%	1,001,507	23%
Management Services	260,891	6%	182,904	4%
Total	$ 4,284,290	100%	$ 4,310,191	100%

We estimate that approximately $2.2 billion, or 51%, of our backlog at December 31, 2010 will not be completed in 2011.

Backlog by end market for the building segment as of December 31, 2010 and 2009 is set forth below:

	Building Segment Backlog by End Market					
	December 31, 2010			December 31, 2009		
	(dollars in thousands)					
Municipal and Government	$	804,296	30%	$	460,765	15%
Healthcare Facilities		563,834	21%		713,296	23%
Industrial Buildings		394,822	15%		255,859	8%
Hospitality and Gaming		366,395	14%		783,794	25%
Transportation Facilities		269,080	10%		737,084	24%
Education Facilities		179,118	7%		105,650	3%
Condominiums		34,962	1%		9,475	<1%
Office Buildings		10,748	<1%		7,114	<1%
Other		40,060	2%		52,743	1%
Total	$	2,663,315	100%	$	3,125,780	100%

Backlog by end market for the civil segment as of December 31, 2010 and 2009 is set forth below:

	Civil Segment Backlog by End Market					
	December 31, 2010			December 31, 2009		
	(dollars in thousands)					
Highways	$	698,028	51%	$	319,514	32%
Bridges		381,579	28%		181,863	18%
Mass Transit		155,985	11%		457,786	46%
Wastewater Treatment and Other		117,914	9%		42,131	4%
Sitework		6,578	<1%		213	<1%
Total	$	1,360,084	100%	$	1,001,507	100%

Backlog by end market for the management services segment as of December 31, 2010 and 2009 is set forth below:

	Management Services Segment Backlog by End Market					
	December 31, 2010			December 31, 2009		
	(dollars in thousands)					
U.S. Government Services	$	219,087	84%	$	147,192	80%
Surety and Other		41,804	16%		35,712	20%
Total	$	260,891	100%	$	182,904	100%

Competition

The construction industry is highly competitive and the markets in which we compete include numerous competitors. However, there is a difference in the number of active market participants and a differentiation in their capabilities based on size of project. We typically target large, complex projects. As a result, we face fewer competitors, as smaller contractors are unable to effectively compete or are unable to secure bonding to support large projects.

In certain end markets of the building segment, such as hospitality and gaming and healthcare, we are one of the largest providers of construction services in the United States. In our building segment, we compete with a variety of national and regional contractors. Our primary competitors are Balfour Beatty Construction, Clark, DPR, Gilbane, Hensel Phelps, JE Dunn, McCarthy, PCL, Skanska, Suffolk, and Turner. In our civil segment, we compete principally with large civil construction firms that operate in the west, northeast and mid-Atlantic regions, including Skanska, Granite, Tully, Schiavone, Traylor Brothers, American Infrastructure, and Kiewit. In our management services segment, we compete principally with national engineering and construction firms such as Fluor, Washington Division of URS, Kellogg Brown & Root, Shaw, and CH2M Hill. Major competitors to Black Construction's operations in Guam include DCK Construction, Coretech, Watts Constructors and Hensel Phelps. We believe price, experience, reputation, responsiveness, customer relationships, project completion track record and quality of work are key factors in customers awarding contracts across our end markets.

Types of Contracts and The Contract Process

Type of Contracts

The general contracting and management services we provide consist of planning and scheduling the manpower, equipment, materials and subcontractors required for the timely completion of a project in accordance with the terms, plans and specifications contained in a construction contract. We provide these services by entering into traditional general contracting arrangements, such as guaranteed maximum price, cost plus fee and fixed price contracts and construction management or design-build contracting arrangements. These contract types and the risks generally inherent therein are discussed below:

- Guaranteed maximum price (GMP) contracts provide for a cost plus fee arrangement up to a maximum agreed upon price. These contracts place risks on the contractor for amounts in excess of the GMP, but may permit an opportunity for greater profits than under Cost Plus contracts through sharing agreements with the owner on any cost savings that may be realized. Services provided by our building segment to various private customers often are performed under GMP contracts.

- Cost plus fee (Cost Plus) contracts provide for reimbursement of the costs required to complete a project plus a stipulated fee arrangement. Cost Plus contracts include cost plus fixed fee (CPFF) contracts and cost plus award fee (CPAF) contracts. CPFF contracts provide for reimbursement of the costs required to complete a project plus a fixed fee. CPAF contracts provide for reimbursement of the costs required to complete a project plus a base fee as well as an incentive fee based on cost and/or schedule performance. Cost Plus contracts serve to minimize the contractor's financial risk, but may also limit profits.

- Fixed price (FP) contracts, which include fixed unit price contracts, are generally used in competitively bid public civil and building construction projects and generally commit the contractor to provide all of the resources required to complete a project for a fixed sum or at fixed unit prices. Usually FP contracts transfer more risk to the contractor but offer the opportunity, under favorable circumstances, for greater profits. FP contracts represent a significant portion of our publicly bid civil construction projects. We also perform publicly bid building construction projects and certain task order contracts for agencies of the U.S. government in our management services segment under FP contracts.

- Construction management (CM) contracts are those under which a contractor agrees to manage a project for the owner for an agreed-upon fee, which may be fixed or may vary based upon negotiated factors. CM contracts serve to minimize the contractor's financial risk, but may also limit profit relative to the overall scope of a project.

- Design-build contracts are those under which a contractor provides both design and construction services for a customer. These contracts may be either GMP, fixed price contracts or cost plus fee contracts.

Historically, a high percentage of our contracts have been of the GMP and fixed price type. As a result of increasing opportunities in public works civil and building markets, combined with our increased resume and expertise as a result of the merger with Tutor-Saliba, the fixed price type of contract has grown and is expected to grow as a percentage of total revenues and backlog. A summary of revenues and backlog by type of contract for each of the three years in the period ended December 31, 2010 follows:

	Revenues for the Year Ended December 31,		
	2010	2009	2008
Cost Plus, GMP or CM	51%	72%	89%
FP	49%	28%	11%
	100%	100%	100%

	Backlog as of December 31,		
	2010	2009	2008
Cost Plus, GMP or CM	43%	53%	78%
FP	57%	47%	22%
	100%	100%	100%

The Contract Process

We identify potential projects from a variety of sources, including advertisements by federal, state and local governmental agencies, through the efforts of our business development personnel and through meetings with other participants in the construction industry such as architects and engineers. After determining which projects are available, we make a decision on which projects to pursue based on factors such as project size, duration, availability of personnel, current backlog, competitive advantages and disadvantages, prior experience, contracting agency or owner, source of project funding, geographic location and type of contract.

After deciding which contracts to pursue, we generally have to complete a prequalification process with the applicable agency or customer. The prequalification process generally limits bidders to those companies with the operational experience and financial capability to effectively complete the particular project(s) in accordance with the plans, specifications and construction schedule.

Our estimating process typically involves three phases. Initially, we perform a detailed review of the plans and specifications, summarize the various types of work involved and related estimated quantities, determine the project duration or schedule and highlight the unique aspects of and risks associated with the project. After the initial review, we decide whether to continue to pursue the project. If we elect to pursue the project, we perform the second phase of the estimating process which consists of estimating the cost and availability of labor, material, equipment, subcontractors and the project team required to complete the project on time and in accordance with the plans and specifications. The final phase consists of a detailed review of the estimate by management including, among other things, assumptions regarding cost, approach, means and methods, productivity and risk. After the final review of the cost estimate, management adds an amount for profit to arrive at the total bid amount.

Public bids to various governmental agencies are generally awarded to the lowest bidder. Requests for proposals or negotiated contracts with public or private customers are generally awarded based on a combination of technical capability and price, taking into consideration factors such as project schedule and prior experience.

During the construction phase of a project, we monitor our progress by comparing actual costs incurred and quantities completed to date with budgeted amounts and the project schedule and periodically, at a minimum on a quarterly basis, prepare an updated estimate of total forecasted revenue, cost and profit for the project.

During the ordinary course of most projects, the customer, and sometimes the contractor, initiate modifications or changes to the original contract to reflect, among other things, changes in specifications or design, construction method or manner of performance, facilities, equipment, materials, site conditions and period for completion of the work. Generally, the scope and price of these modifications are documented in a "change order" to the original contract and are reviewed, approved and paid in accordance with the normal change order provisions of the contract.

Often a contract requires us to perform extra, or change order, work as directed by the customer even if the customer has not agreed in advance on the scope or price of the work to be performed. This process may result in disputes over whether the work performed is beyond the scope of the work included in the original project plans and specifications or, if the customer agrees that the work performed qualifies as extra work, the price the customer is willing to pay for the extra work. Even when the customer agrees to pay for the extra work, we may be required to fund the cost of such work for a lengthy period of time until the change order is approved and funded by the customer. Also, unapproved change orders, contract disputes or claims result in costs being incurred by us that cannot be billed currently and, therefore, are reflected as "costs and estimated earnings in excess of billings" in our balance sheet. See Note 1(d) of Notes to Consolidated Financial Statements, entitled "Method of Accounting for Contracts." In addition, any delay caused by the extra work may adversely impact the timely scheduling of other project work and our ability to meet specified contract milestone dates.

The process for resolving claims varies from one contract to another but, in general, we attempt to resolve claims at the project supervisory level through the normal change order process or with higher levels of management within our organization and the customer's organization. Depending upon the terms of the contract, claim resolution may involve a variety of other resolution methods, including mediation, binding or non-binding arbitration or litigation. Regardless of the process, when a potential claim arises on a project, we typically have the contractual obligation to perform the work and incur the related costs. We do not recoup the costs until the claim is resolved. It is not uncommon for the claim resolution process to last months or years, especially if it involves litigation.

Our contracts generally involve work durations in excess of one year. Revenue from our contracts in process is generally recorded under the percentage of completion contract accounting method. For a more detailed discussion of our policy in these areas, see Note 1(d) of Notes to Consolidated Financial Statements.

Construction Costs

While our business may experience some adverse consequences if shortages develop or if prices for materials, labor or equipment increase excessively, provisions in certain types of contracts often shift all or a major portion of any adverse impact to the customer. On our fixed price contracts, we attempt to insulate ourselves from the unfavorable effects of inflation by incorporating escalating wage and price assumptions, where appropriate, into our construction cost estimates and by obtaining firm fixed price quotes from major subcontractors and material suppliers at the time of the bid period. Construction and other materials used in our construction activities are generally available locally from multiple sources and have been in adequate supply during recent years. Construction work in selected overseas areas primarily employs expatriate and local labor which can usually be obtained as required.

Environmental Matters

Our properties and operations are subject to federal, state and municipal laws and regulations relating to the protection of the environment, including requirements for water discharges, air emissions, the use, management and disposal of solid or hazardous materials or wastes and the cleanup of contamination. For example, we must apply water or chemicals to reduce dust on road construction projects and to contain contaminants in storm run-off water at construction sites. In certain circumstances, we may also be required to hire subcontractors to dispose of hazardous materials encountered on a project in accordance with a plan approved in advance by the owner. We believe that we are in substantial compliance with all applicable laws and regulations; however, future requirements or amendments to current laws or regulations imposing more stringent requirements could require us to incur additional costs to maintain or achieve compliance.

In addition, some environmental laws, such as the U.S. federal "Superfund" law and similar state statutes, can impose liability for the entire cost of cleanup of contaminated sites upon any of the current or former owners or operators or upon parties who sent wastes to these sites, regardless of who owned the site at the time of the release or the lawfulness of the original disposal activity. Contaminants have been detected at some of the sites that we own, or where we worked as a contractor in the past, and we have incurred costs for investigation or remediation of hazardous substances. We believe that our liability for these sites will not be material, either individually or in the aggregate, and have pollution liability insurance available for such matters. Perini Environmental Services, Inc., or Perini Environmental, a wholly owned subsidiary of Tutor Perini that was phased out during 1997, provided hazardous waste engineering and construction services to both private clients and public agencies nationwide. Perini Environmental was responsible for compliance with applicable laws in connection with its activities. We believe that we have minimal exposure to environmental liability because Tutor Perini (and previously Perini Environmental) generally carry insurance or receive indemnification from customers to cover the risks associated with the remediation business.

We own real estate in five states and in Guam and, as an owner, are subject to laws governing environmental responsibility and liability based on ownership. We are not aware of any significant environmental liability associated with our ownership of real estate.

Insurance and Bonding

All of our properties and equipment, both directly owned and owned through joint ventures with others, are covered by insurance and we believe that such insurance is adequate. In addition, we maintain general liability, excess liability and workers' compensation insurance in amounts that we believe are consistent with our risk of loss and industry practice.

As a normal part of the construction business, we are often required to provide various types of surety bonds as an additional level of security of our performance. We have surety arrangements with several sureties. We also require many of our higher risk subcontractors to provide surety bonds as security for their performance. Since 2005, we also have purchased contract default insurance on certain construction projects to insure against the risk of subcontractor default as opposed to having subcontractors provide traditional payment and performance bonds.

Employees

The total number of personnel employed by us is subject to seasonal fluctuations, the volume of construction in progress and the relative amount of work performed by subcontractors. Our average number of full time equivalent employees during 2010 was 3,538.

We are signatory to numerous local and regional collective bargaining agreements, both directly and through trade associations, as a union contractor. These agreements cover all necessary union crafts and are subject to various renewal dates. Estimated amounts for wage escalation related to the expiration of union contracts are included in our bids on various projects and, as a result, the expiration of any union contract in the next fiscal year is not expected to have any material impact on us. As of December 31, 2010, approximately 1,200 of our total of 3,096 employees were union employees. During the past several years, we have not experienced any significant work stoppages caused by our union employees.

Available Information

Our website address is http://www.tutorperini.com. The information contained on our website is not included as a part of, or incorporated by reference into, this Annual Report on Form 10-K. We make available, free of charge on our Internet website, our annual reports on Form 10-K, our quarterly reports on Form 10-Q, our current reports on Form 8-K and amendments to such reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act") as soon as reasonably practicable after we have electronically filed such materials with, or furnished it to, the United States Securities and Exchange Commission. You may read and copy any document we file at the SEC Headquarters, Public Reference Room, 100 F Street, NE, Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains a website at http://www.sec.gov that contains reports, proxy, information statements and other information regarding issuers, such as the Company, that file electronically with the SEC. Also available on our website are our Code of Business Conduct and Ethics, Corporate Governance Guidelines, the charters of the Committees of our Board of Directors and reports under Section 16 of the Exchange Act of transactions in our stock by our directors and executive officers.

ITEM 1A. RISK FACTORS

We are subject to a number of risks, including those summarized below. Such risks could have a material adverse effect on our financial condition, results of operations and cash flows. See our disclosure under "Forward-looking Statements" on page 3.

We may not fully realize the revenue value reported in our backlog.

As of December 31, 2010, our backlog of uncompleted construction work was approximately $4.3 billion. We include a construction project in our backlog at such time as a contract is awarded or a letter of commitment is obtained and adequate construction funding is in place. The revenue projected in our backlog may not be realized or, if realized, may not result in profits. For example, if a project reflected in our backlog is terminated, suspended or reduced in scope, it would result in a reduction to our backlog which would reduce, potentially to a material extent, the revenues and profits realized. If a customer cancels a project, we may be reimbursed for certain costs and profit thereon but typically have no contractual right to the total revenues reflected in our backlog. Significant cancellations or delays of projects in our backlog could have a material adverse effect on future revenues, profits, and cash flows.

Current economic conditions could adversely affect our operations.

The deterioration of economic and financial market conditions in the United States and overseas throughout 2009 and 2010, including severe disruptions in the credit markets, could continue to adversely affect our results of operations in future periods. The continued instability in the financial markets has made it difficult for certain of our customers, including private owners and state and local governments, to access the credit markets to obtain financing or refinancing, as the case may be, to fund new construction projects on satisfactory terms or at all. State and local governments continue to face potentially significant budget shortfalls as a result of declining tax and other revenues, which may cause them to defer or cancel planned infrastructure projects. During 2010, we have encountered increased levels of deferrals and delays related to new construction projects. Difficulty in obtaining adequate financing due to the unprecedented disruption in the credit markets may significantly increase the rate at which our customers defer, delay or cancel proposed new construction projects. Such deferrals, delays or cancellations could have an adverse impact on our future operating results.

Instability in the financial markets may also impact a customers' ability to pay us on a timely basis, or at all, for work on projects already under construction in accordance with the contract terms. Customer financing may be subject to periodic renewals and extensions of credit by the lender. As credit markets remain tight and difficult economic conditions persist, lenders may be unwilling to continue renewing or extending credit to a customer. Such deferral, delay or cancellation of credit by the lender could impact the customer's ability to pay us, which could have an adverse impact on our future operating results. A significant portion of our operations are concentrated in California, New York and Nevada. As a result, we are more susceptible to fluctuations caused by adverse economic or other conditions in these regions as opposed to others.

Economic downturns could reduce the level of consumer spending within the non-residential building industry, which could adversely affect demand for our services.

Consumer spending in certain private non-residential building type projects, especially hospitality and gaming, is discretionary and may decline during economic downturns when consumers have less disposable income. Even an uncertain economic outlook may adversely affect consumer and private industry spending in various business operations, as consumers may spend less in anticipation of a potential economic downturn. Decreased spending in the market could deter new projects within the industry and the expansion or renovation of existing facilities, which could negatively impact our revenues and earnings.

A decrease in government funding of infrastructure and other public projects could reduce the revenues of the company.

Approximately 32% (or $1.36 billion) of our backlog as of December 31, 2010, is derived from construction projects involving civil construction contracts. Civil construction markets are dependent on the amount of infrastructure work funded by various governmental agencies which, in turn, depends on the condition of the existing infrastructure, the need for new or expanded infrastructure and federal, state or local government spending levels. A slowdown in economic activity in any of the markets that we serve may result in less spending on public works projects. In addition, a decrease or delay in government funding of infrastructure projects or delays in the implementation of voter-approved bond measures could decrease the number of civil construction projects available and limit our ability to obtain new contracts, which could reduce revenues within our civil construction segment. In addition, budget shortfalls and credit rating downgrades in California and other states in which the Company is involved in significant infrastructure projects and any long-term impairment in the ability of state and local governments to finance construction projects by raising capital in the municipal bond market could curtail or delay the funding of future projects.

Our building segment also is involved in significant construction projects for public works projects such as Terminal 3 at McCarran International Airport in Las Vegas, public healthcare facilities, primarily in California, and public education facilities, primarily in Florida and California. These projects also are dependent upon funding by various federal, state and local governmental agencies. A decrease in government funding of public healthcare and education facilities, particularly in California and Florida, could decrease the number and/or size of construction projects available and limit our ability to obtain new contracts in these markets, which could further reduce our revenues and earnings.

A decrease in U.S. government funding or change in government plans, particularly with respect to construction projects in Iraq, Afghanistan and Guam, as well as the risks associated with undertaking projects in these countries, could adversely affect the continuation of existing projects or the number of projects available to us in the future.

We have performed design-build security upgrades at United States embassies and consulates throughout the world, and we are currently engaged in building activities in Iraq. The United States federal government has approved various spending bills for the reconstruction and defense of Iraq and Afghanistan and has allocated significant funds to the defense of United States interests around the world from the threat of terrorism. The United States federal government has also approved funds for development in conjunction with the relocation of military personnel into Guam. A decrease in government funding of these projects or a decision by the United States federal government to reduce or eliminate the use of outside contractors to perform this work would decrease the number of projects available to us and limit our ability to obtain new contracts in this area.

Our projects in Iraq, Afghanistan and other areas of political and economic instability carry with them specific security and operational risks. Intentional or unintentional acts in those countries could result in damage to our construction sites or harm to our employees and could result in our decision to withdraw our operations from the area. Also, as a result of these acts, the United States federal government could decide to cancel or suspend our operations in these areas.

Economic, political and other risks associated with our international operations involve risks not faced by our domestic competitors, which could adversely affect our revenues and earnings.

We derived approximately 5.0% (or $161.3 million) of our revenues and approximately $23.6 million of income from construction operations for the year ended December 31, 2010 from our work on projects located outside of the United States, including projects in Iraq, Afghanistan and Guam. We expect non-U.S. projects to continue to contribute to our revenues and earnings for the foreseeable future. Our international operations expose us to risks inherent in doing business in certain hostile regions outside the United States, including:

- political risks, including risks of loss due to civil disturbances, guerilla activities and insurrection;
- acts of terrorism and acts of war;
- unstable economic, financial and market conditions;
- potential incompatibility with foreign subcontractors and vendors;
- foreign currency controls and fluctuations;
- trade restrictions;
- variations in taxes; and
- changes in labor conditions, labor strikes and difficulties in staffing and managing international operations.

Any of these factors could harm our international operations and, consequently, our business and consolidated operating results. Specifically, failure to successfully manage risks associated with our international operations could result in higher operating costs than anticipated or could delay or limit our ability to generate revenues and income from construction operations in key international markets.

We are subject to significant legal proceedings, which, if determined adversely to us, could harm our reputation, preclude us from bidding on future projects and/or have a material adverse effect on us.

We are involved in various lawsuits, including the legal proceedings described under Item 3 -- "Legal Proceedings." Litigation is inherently uncertain and it is not possible to predict what the final outcome will be of any legal proceeding. A final judgment against us would require us to record the related liability and fund the payment of the judgment and, if such adverse judgment is significant, it could have a material adverse effect on us. Legal proceedings resulting in judgments or findings against us may harm our reputation and prospects for future contract awards.

Our contracts require us to perform extra or change order work, which can result in disputes and adversely affect our working capital, profits and cash flows.

Our contracts generally require us to perform extra, or change order, work as directed by the customer even if the customer has not agreed in advance on the scope or price of the work to be performed. This process can result in disputes over whether the work performed is beyond the scope of the work included in the original project plans and specifications or, if the customer agrees that the work performed qualifies as extra work, the price the customer is willing to pay for the extra work. Even when the customer agrees to pay for the extra work, we may be required to fund the cost of such work for a lengthy period of time until the change order is approved and funded by the customer.

Also, unapproved change orders, contract disputes or claims cause us to incur costs that cannot be billed currently and therefore may be reflected as "costs and estimated earnings in excess of billings" in our balance sheet. See Note 1(d) of Notes to Consolidated Financial Statements. To the extent our actual recoveries with respect to unapproved change orders, contract disputes or claims are lower than our estimates, the amount of any shortfall will reduce our revenues and the amount of costs and estimated earnings in excess of billings recorded on our balance sheet, and could have a material adverse effect on our working capital, results of operations and cash flows. In addition, any delay caused by the extra work may adversely impact the timely scheduling of other project work and our ability to meet specified contract milestone dates.

Increased regulation of the hospitality and gaming industry could reduce the number of future hospitality and gaming projects available, which, in turn, could adversely affect our future earnings.

The hospitality and gaming industry is regulated extensively by federal and state regulatory bodies, including state gaming commissions, the National Indian Gaming Commission and federal and state taxing and law enforcement agencies. From time to time, legislation is proposed in the legislatures of some of these jurisdictions that, if enacted, could adversely affect the tax, regulatory, operational or other aspects of the hospitality and gaming industry. Legislation of this type may be enacted in the future. The United States federal government has also previously considered a federal tax on casino revenues and may consider such a tax in the future. In addition, companies that operate in the hospitality and gaming industry are currently subject to significant state and local taxes and fees in addition to normal federal and state corporate income taxes, and such taxes and fees are subject to increase at any time. New legislation or hospitality and gaming regulations could deter future hospitality and gaming construction projects in jurisdictions in which we derive significant revenues. As a result, the enactment of any such new legislation or regulations could adversely affect our future earnings.

If we are unable to accurately estimate the overall risks, revenues or costs on a contract, we may achieve a lower than anticipated profit or incur a loss on that contract.

We generally enter into four principal types of contracts with our clients: fixed price contracts, cost plus fee contracts, guaranteed maximum price contracts, and construction management contracts. We derive a significant portion of our civil construction segment and management services segment revenues and backlog from fixed price contracts.

- Fixed price and certain design-build contracts require us to perform the contract for a fixed price irrespective of our actual costs. As a result, we realize a profit on these contracts only if we successfully control our costs and avoid cost overruns.

- Cost plus fee contracts provide for reimbursement of the costs required to complete a project, but generally have a lower base fee and an incentive fee based on cost and/or schedule performance. If our costs exceed the revenues available under such a contract or are not allowable under the provisions of the contract, we may not receive reimbursement for these costs.

- Guaranteed maximum price contracts provide for a cost plus fee arrangement up to a maximum agreed-upon price. These contracts also place the risk on us for cost overruns that exceed the guaranteed maximum price.

- Construction management contracts are those under which we agree to manage a project for a customer for an agreed upon fee, which may be fixed or may vary based upon negotiated factors. Profitability on these types of contracts is impacted by changes in the scope of work or design issues, which could cause cost overruns beyond our control and limit profits on these contracts.

Cost overruns, whether due to inefficiency, faulty estimates or other factors, result in lower profit or a loss on a project. A significant number of our contracts are based in part on cost estimates that are subject to a number of assumptions. If our estimates of the overall risks, revenues or costs prove inaccurate or circumstances change, we may incur a lower profit or a loss on that contract.

The percentage-of-completion method of accounting for contract revenues may result in material adjustments, which could result in a charge against our earnings.

We recognize contract revenues using the percentage-of-completion method. Under this method, estimated contract revenues are recognized by applying the percentage of completion of the project for the period to the total estimated revenues for the contract. Estimated contract losses are recognized in full when determined. Total contract revenues and cost estimates are reviewed and revised at a minimum on a quarterly basis as the work progresses and as change orders are approved. Adjustments based upon the percentage of completion are reflected in contract revenues in the period when these estimates are revised. To the extent that these adjustments result in an increase, a reduction or an elimination of previously reported contract profit, we recognize a credit or a charge against current earnings, which could be material.

We are subject to a number of risks as a U.S. government contractor, which could either harm our reputation, result in fines or penalties against us and/or adversely impact our financial condition.

We are a provider of services to U.S. government agencies and therefore are exposed to risks associated with government contracting. We must observe laws and regulations relating to the formation, administration and performance of government contracts which affect how we do business with our U.S. government customers and may impose added costs on our business. For example, the Federal Acquisition Regulations and the industrial security regulations of the U.S. Department of Defense and related laws include provisions that allow our U.S. government customers to terminate or not renew our contracts if we come under foreign ownership, control or influence and require us to disclose and certify cost and pricing data in connection with contract negotiations.

Our failure to comply with these or other laws and regulations could result in contract terminations, suspension or debarment from contracting with the U.S. government, civil fines and damages and criminal prosecution and penalties, any of which could cause our actual results to differ materially from those anticipated.

U.S. government agencies generally can terminate or modify their contract with us at their convenience and some government contracts must be renewed annually. If a government agency terminates or fails to renew a contract, our backlog may be reduced. If a government agency terminates a contract due to our unsatisfactory performance, it could result in liability to us and harm our ability to compete for future contracts.

U.S. government agencies, including the Defense Contract Audit Agency, or DCAA, routinely audit and investigate U.S. government contracts and U.S. government contractors' administrative processes and systems. These agencies review our performance on contracts, pricing practices, cost structure and compliance with applicable laws, regulations and standards. They also review our compliance with regulations and policies and the adequacy of our internal control systems and policies, including our purchasing, property, estimating, compensation and management information systems. Any costs found to be improperly allocated to a specific contract will not be reimbursed, and any such costs already reimbursed must be refunded. Moreover, if any of the administrative processes or systems is found not to comply with requirements, we may be subjected to increased government oversight and approval that could delay or otherwise adversely affect our ability to compete for or perform contracts. Therefore, an unfavorable outcome to an audit by the DCAA or another agency could cause our results to differ materially from those anticipated. If an investigation uncovers improper or illegal activities, we may be subject to civil and criminal penalties and administrative sanctions, including termination of contracts, forfeitures of profits, suspension of payments, fines and suspension or debarment from doing business with the U.S. government. In addition, we would suffer serious harm to our reputation if allegations of impropriety were made against us. Each of these results could cause actual results to differ materially from those anticipated.

Our participation in construction joint ventures exposes us to liability and/or harm to our reputation for failures of our partners.

As part of our business, we enter into joint venture arrangements typically to jointly bid on and execute particular projects, thereby reducing our financial or operational risk with respect to such projects. Success on these joint projects depends in large part on whether our joint venture partners satisfy their contractual obligations. We and our joint venture partners are generally jointly and severally liable for all liabilities and obligations of our joint ventures. If a joint venture partner fails to perform or is financially unable to bear its portion of required capital contributions or other obligations, including liabilities stemming from lawsuits, we could be required to make additional investments, provide additional services or pay more than our proportionate share of a liability to make up for our partner's shortfall. Further, if we are unable to adequately address our partner's performance issues, the customer may terminate the project, which could result in legal liability to us, harm our reputation, and reduce our profit on a project.

Our pension plan is underfunded and we may be required to make significant future contributions to the plan.

Our defined benefit pension plan and our supplemental retirement plan are non-contributory pension plans covering many of our employees. Benefits under these plans were frozen as of June 1, 2004. As of December 31, 2010, these plans were underfunded by approximately $26.4 million. We are required to make cash contributions to our pension and supplemental retirement plans to the extent necessary to comply with minimum funding requirements imposed by employee benefit and tax laws. The amount of any such required contributions is determined based on an annual actuarial valuation of the plan as performed by the plans' actuaries. During 2010, we contributed $3.8 million in cash to our defined benefit pension plan and supplemental retirement plan. The amount of our future contributions will depend upon asset returns, then-current discount rates and a number of other factors, and, as a result, the amount we may elect or be required to contribute to these plans in the future may vary significantly. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Critical Accounting Policies--Defined Benefit Retirement Plan."

The construction services industry is highly schedule driven, and our failure to meet schedule requirements of our contracts could adversely affect our reputation and/or expose us to financial liability.

Many of our contracts are subject to specific completion schedule requirements and subject us to liquidated damages in the event the construction schedules are not achieved. Our failure to meet schedule requirements could subject us not only to liquidated damages, but could further subject us to liability for our customer's actual cost arising out of our delay and cause us to suffer damage to our reputation within our industry and customer base.

Competition for new project awards is intense and our failure to compete effectively could reduce our market share and profits.

New project awards are often determined through either a competitive bid basis or on a negotiated basis. Bid or negotiated contracts with public or private owners are generally awarded based upon price, but many times other factors, such as shorter project schedules or prior experience with the customer, influence the award of the contract. Within our industry, we compete with many national, regional and local construction firms. Some of these competitors have achieved greater market penetration than we have in the markets in which we compete, and some have greater financial and other resources than we do. As a result, we may need to accept lower contract margins or more fixed price or unit price contracts in order for us to compete against competitors that have the ability to accept awards at lower prices or have a pre-existing relationship with the customer. If we are unable to compete successfully in such markets, our relative market share and profits could be reduced.

We will require substantial personnel and specialty subcontractor resources to execute and perform on our contracts in backlog.

Our ability to execute and perform on our contracts in backlog depends in large part upon our ability to hire and retain highly skilled personnel, including engineering, project management and senior management professionals. In addition, our construction projects require a significant amount of trade labor resources, such as carpenters, masons and other skilled workers, as well as certain specialty subcontractor skills. In the event we are unable to attract, hire and retain the requisite personnel and subcontractors necessary to execute and perform on our contract backlog, we may experience delays in completing projects in accordance with project schedules, which may have an adverse effect on our financial results and harm our reputation. Further, the increased demand for personnel and specialty subcontractors may result in higher costs which could cause us to exceed the budget on a project, which in turn may have an adverse effect on our results of operations and harm our relationships with our customers. In addition, if we lack the personnel and specialty subcontractors necessary to perform on our current contract backlog, we may find it necessary to curtail our pursuit of new projects.

An inability to obtain bonding could limit the number of projects we are able to pursue.

As is customary in the construction business, we often are required to provide surety bonds to secure our performance under construction contracts. Our ability to obtain surety bonds primarily depends upon our capitalization, working capital, past performance, management expertise and certain external factors, including the overall capacity of the surety market. Surety companies consider such factors in relation to the amount of our backlog and their underwriting standards, which may change from time to time. Since 2001, the surety industry has undergone significant changes with several companies withdrawing completely from the industry or significantly reducing their bonding commitment. In addition, certain reinsurers of surety risk have limited their participation in this market. Therefore, we could be unable to obtain surety bonds, when required, which could adversely affect our future results of operations and revenues.

If Black Construction's opportunity to win significant business from the expansion of the United States military's operations on the island of Guam does not develop as anticipated, our growth prospects, revenues and earnings could be adversely affected in our Management Services segment.

A significant portion of the future revenues and growth prospects of Black Construction, one of our subsidiaries, over the next several years is expected to involve the construction of facilities for the expansion of the United States military's base on the island of Guam. This construction is dependent upon the continued implementation of the United States military's announced plan to relocate 8,000 U.S. Marines and other military personnel from Okinawa, Japan to the island of Guam. The continued implementation of the United States military's plan, and the amount of work that Black Construction wins and performs in connection with the expansion of the United States military's base on the island of Guam, depends upon a number of factors, including:

- competition from other construction companies operating on the island of Guam;
- the political environment in the United States and Japan;
- the ability to satisfy various local regulations and concerns surrounding the environmental impact of such a large-scale project on the island of Guam;
- the financial and other terms agreed upon between the United States and Japan with respect to the relocation;
- the United States military's and the Japanese government's availability of funds for the continued funding of the expansion and relocation in light of funding demands for other national priorities and commitments;
- political, military and terrorist activities that affect the United States foreign policy;
- the ability of the Company to invest sufficiently, and on favorable terms, in expanding Black Construction's capabilities on the island of Guam, including hiring and relocating necessary personnel, acquiring land (including warehousing and barracks) and acquiring and relocating equipment; and
- economic, political and other risks relating to business outside of the United States (despite the fact that the island of Guam is a United States territory).

Any of these factors could result in a delay or cancellation of some or all of the anticipated work on the island of Guam, which would have an adverse effect on our growth prospects, future revenues and future earnings of the combined company.

We intend to continue to pursue acquisition opportunities, which may be difficult to integrate into our business.

We intend to continue to pursue acquisitions as part of our growth strategy, as evidenced by our recent acquisitions of Superior Gunite in the fourth quarter of 2010 and Fisk Electric in January 2011. The process of managing and integrating new acquisitions into our Company may result in unforeseen operating difficulties and may require significant financial, operational and managerial resources that would otherwise be available for the operation, development and expansion of our existing business. To the extent that we misjudge our ability to integrate and properly manage acquisitions, we may have difficulty achieving our operating, strategic and financial objectives.

Acquisitions also may involve a number of special financial, business and operational risks, such as:

- difficulties in integrating diverse corporate cultures and management styles;
- additional or conflicting government regulation;
- disparate company policies and practices;
- client relationship issues;
- diversion of our management's time, attention and resources;
- decreased utilization during the integration process;
- loss of key existing or acquired personnel;
- increased costs to improve or coordinate managerial, operational, financial and administrative systems;
- dilutive issuances of equity securities, including convertible debt securities to finance acquisitions;
- the assumption of legal liabilities; and
- amortization of acquired intangible assets.

In addition to the integration challenges mentioned above, acquisitions of non-U.S. companies offer distinct integration challenges relating to non-U.S. GAAP financial reporting, foreign laws and governmental regulations, including tax and employee benefit laws, and other factors relating to operating in countries other than the United States, which are discussed above in the discussion regarding the difficulties we may face operating outside of the United States.

In connection with mergers and acquisitions, we have recorded goodwill and other intangible assets that could become impaired and adversely affect our operating results.

Under accounting principles generally accepted in the United States, our mergers and acquisitions have been accounted for under the acquisition method. Under the acquisition method, the total purchase price we pay is allocated to the acquired company's tangible assets and liabilities and identifiable intangible assets based on their estimated fair values as of the date of completion of the merger or acquisition. The excess of the purchase price over those estimated fair values is recorded as goodwill. We test goodwill and intangible assets with indefinite lives for impairment annually, in the fourth quarter of each year, and between these periods if events occur or circumstances change which suggest that the goodwill or intangible assets should be evaluated. At December 31, 2010, the carrying value of the goodwill and other indefinite-lived intangible assets recorded in mergers and acquisitions totaled $728.5 million and represents 26% of our total assets of $2.8 billion. To the extent the value of the goodwill or other intangible assets becomes impaired in the future, we will be required to incur non-cash charges to the Consolidated Statements of Operations relating to such impairment.

Conflicts of interest may arise involving certain of our directors.

We have engaged in joint ventures, primarily in civil construction, with O&G Industries, Inc., a Connecticut corporation, whose Vice Chairman is Raymond R. Oneglia, one of our directors. As of December 31, 2010, the Company has a 30% interest in a joint venture with O&G as the sponsor for a highway reconstruction project with an estimated total contract value of approximately $357 million. In accordance with the Company's policy, the terms of this joint venture and any of our joint ventures with any affiliate have been and will be subject to review and approval by our Audit Committee. As in any joint venture, we could have disagreements with our joint venture partner over the operation of a joint venture or a joint venture could be involved in disputes with third parties, where we may or may not have an identity of interest with our joint venture partner. These relationships also may create conflicts of interest with respect to new business and other corporate opportunities.

Our reputation may be harmed and our future earnings may be negatively impacted if we are unable to retain key members of our management.

Our business substantially depends on the continued service of key members of our management, particularly Ronald N. Tutor, Robert Band, Mark A. Caspers, James ("Jack") Frost, Craig W. Shaw, Paul E. Lloyd, Martin B. Sisemore, William R. Derrer, Daniel J. Keating, Larry Totten, Anthony Federico and Kenneth R. Burk, who, collectively, have an average of more than 30 years in the construction industry. Losing the services of any of these individuals could adversely affect our business until a suitable replacement can be found. We believe that they could not quickly be replaced with executives of equal experience and capabilities. Generally these executives are not bound by employment agreements with us and we do not maintain key person life insurance policies on any of these executives.

Ronald N. Tutor's ownership interest in the Company, along with his management position and his right to designate up to two nominees to serve as members of our Board of Directors, provides him with significant influence over corporate matters and may make a third party's acquisition of the Company (or its stock or assets) more difficult.

As of December 31, 2010, Mr. Tutor and two trusts controlled by Mr. Tutor owned approximately 31% of the outstanding shares of our common stock. In addition, Mr. Tutor is the chairman and chief executive officer of the Company and has the right to designate up to two nominees for election as members of the Company's Board of Directors. As of the date of this Form 10-K, none of the current directors have been appointed by Mr. Tutor. If Mr. Tutor fully exercises his right to appoint two directors, he and his two designees would be 3 of 11 directors, as the size of the Board would increase by two members. Although the Shareholders Agreement, dated April 2, 2008, by and among Tutor Perini Corporation, Ronald N. Tutor and certain shareholders of Tutor-Saliba Corporation signatory thereto (the "Shareholders Agreement") imposes significant limits on Mr. Tutor's right to vote the shares of our common stock held by Mr. Tutor, two trusts controlled by him and any other affiliates of Mr. Tutor or the trusts (the "Tutor Group"), or to take specified actions that may facilitate an unsolicited acquisition of control of the Company by Mr. Tutor or his affiliates, Mr. Tutor will nonetheless still be able to exert significant influence over the outcome of a range of corporate matters, including significant corporate transactions requiring a shareholder vote, such as a merger or a sale of the Company or its assets. This concentration of ownership and influence in management and Board decision-making also could harm the price of our common stock by, among other things, discouraging a potential acquirer from seeking to acquire shares of our common stock (whether by making a tender offer or otherwise) or otherwise attempting to obtain control of the Company.

Our business, financial position, results of operations and cash flows could be adversely affected by work stoppages and other labor problems.

We are a signatory to numerous local and regional collective bargaining agreements, both directly and through trade associations. Future agreements reached in collective bargaining could increase our operating costs and reduce our profits as a result of increased wages and benefits. If we or our trade associations are unable to negotiate with any of our unions, we might experience strikes, work stoppages or increased operating costs as a result of higher than anticipated wages or benefits. If our unionized workers engage in a strike or other work stoppage, or our non-unionized employees become unionized, we could experience a disruption of our operations and higher ongoing labor costs, which could adversely affect our business, financial position, results of operations and cash flows.

We have a substantial amount of indebtedness which could adversely affect our financial position and prevent us from fulfilling our obligations under our debt agreements, in particular under our $300 million senior unsecured notes.

We currently have and will continue to have a substantial amount of indebtedness. As of December 31, 2010, we have a total debt of approximately $395.7 million, consisting of $297.8 million of senior unsecured notes (net of unamortized debt discount of $2.2 million) (the "Notes") and $97.9 million of other debt. We may also incur significant additional indebtedness in the future. Our substantial indebtedness may:

- make it difficult for us to satisfy our financial obligations, including making scheduled principal and interest payments on the Notes and our other indebtedness;
- limit our ability to borrow additional funds for working capital, capital expenditures, acquisitions or other general business purposes;
- limit our ability to use our cash flow or obtain additional financing for future working capital, capital expenditures, acquisitions or other general business purposes;
- require us to use a substantial portion of our cash flow from operations to make debt service payments;
- limit our flexibility to plan for, or react to, changes in our business and industry;
- place us at a competitive disadvantage compared to our less leveraged competitors; and
- increase our vulnerability to the impact of adverse economic and industry conditions.

We are subject to restrictive covenants under our credit facility that could limit our flexibility in managing the business.

Our credit facility imposes operating and financial restrictions on us. These restrictions include, among other things, limitations on our ability to:

- create liens or other encumbrances;
- enter into certain types of transactions with our affiliates;
- make certain capital expenditures;
- make investments, loans or other guarantees;
- sell or otherwise dispose of a portion of our assets; or
- merge or consolidate with another entity.

In addition, our credit facility prohibits us from incurring debt from other sources without the consent of our lenders.

Our credit facility contains financial covenants that require us to maintain minimum net worth, minimum fixed charge coverage and maximum leverage ratios. Our ability to borrow funds for any purpose is dependent upon satisfying these tests.

If we are unable to meet the terms of the financial covenants or fail to comply with any of the other restrictions contained in our credit facility, an event of default could occur. An event of default, if not waived by our lenders, could result in the an acceleration of any outstanding indebtedness, causing such debt to become immediately due and payable. If such an acceleration occurs, we may not be able to repay such indebtedness on a timely basis. Since our credit facility is secured by substantially all of our assets, acceleration of this debt could result in foreclosure of those assets. In the event of a foreclosure, we would be unable to conduct our business and may be forced to discontinue ongoing operations.

Funds associated with auction rate securities that we have traditionally held as short-term investments may not be liquid or readily available.

As discussed in Note 2 of Notes to Consolidated Financial Statements entitled "Fair Value Measurements" included in this report, our investment securities consist of auction rate securities which are not currently liquid or readily available to convert to cash. If the global credit crisis persists or intensifies, it is possible that we will be required to further adjust the fair value of our auction rate securities. If we determine that the decline in the fair value of our auction rate securities is other-than-temporary, it would result in additional impairment charges being recognized in our Consolidated Statements of Operations, which could be material and which could adversely affect our financial results. In addition, the lack of liquidity associated with these investments may require us to access our credit facility until some or all of our auction rate securities are liquidated.

We could face risks associated with environmental laws.

We are subject to federal, state and local environmental laws and regulations, governing activities and operations that may have environmental or health and safety effects, such as the discharge of pollutants into the environment, the handling, storage and disposal of solid or hazardous materials or wastes and the investigation and remediation of contamination. We may be responsible for the investigation and remediation of environmental conditions at currently and formerly owned, leased, operated or used sites. We may be subject to associated liabilities, including liabilities for natural resource damage, third party property damage or personal injury resulting from lawsuits brought by the government or private litigants, relating to our operations, the operations of our facilities, or the land on which our facilities are located. We may be subject to these liabilities regardless of whether we lease or own the facility, and regardless of whether such environmental conditions were created by us or by a prior owner or tenant, or by a third party or a neighboring facility whose operations may have affected such facility or land. This is because liability for contamination under certain environmental laws can be imposed on the current or past owners or operators of a site without regard to fault. Moreover, in the course of our operations, hazardous wastes may be generated at third party owned or operated sites, and hazardous wastes may be disposed of or treated at third party owned or operated disposal sites. If those sites become contaminated, we could also be held responsible for the cost of investigating and remediating those sites, for any associated natural resource damage, and for civil or criminal fines or penalties.

We will have continuing contractual obligations with Mr. Tutor, which may create conflicts of interest or may not be practical to enforce on our behalf.

The Company and the former Tutor-Saliba shareholders, including Mr. Tutor, continue to have obligations following completion of the Tutor-Saliba merger. These obligations include indemnification obligations, which may entitle the Company to seek recovery from the former Tutor-Saliba shareholders for losses related to pre-merger actions or omissions of Tutor-Saliba. In addition, the Employment Agreement and the Shareholders Agreement also include obligations that are in effect, including the restrictions on competitive activities, several of which may be impacted by the operating performance of the Company or Tutor-Saliba or the activities of Mr. Tutor.

In light of the important role Mr. Tutor serves for the Company, it may be more difficult, impractical or inadvisable for the Company to enforce or assert defenses with respect to these contractual obligations against Mr. Tutor than against an unaffiliated third party, which may create a conflict of interest for the Company or Mr. Tutor. Other former Tutor-Saliba shareholders have continuing roles with the Company, and a similar conflict of interest may arise, although their interests in the Company will be significantly less than Mr. Tutor's. If we determine that these contractual obligations should not be enforced even if there is a valid claim for enforcement or a valid defense to the enforcement of these obligations, we may not get the entire benefit for which it negotiated in these agreements, including recovery for certain losses related to Tutor-Saliba for which it otherwise would be entitled to indemnification.

We retain a certain level of self-insured risk for workers' compensation, general liability, automobile liability and subcontractor default insurance. Therefore, large self-insured losses, associated with several insurable events, could adversely affect our operating results.

We self-insure for a portion of our claims exposure resulting from workers' compensation, general liability, automobile liability and certain events of subcontractor default. We maintain insurance coverage with licensed insurance carriers which limits our aggregate exposure to excessive loss experience in a given policy year. In addition, we maintain insurance coverage above the amounts for which we self-insure. We accrue currently for estimated incurred losses and expenses, and periodically evaluate and adjust our claims accrued liability to reflect our experience. However, if excessive loss experience should occur in a policy year or years, ultimate results may differ materially from our estimates, which could adversely affect our operating results and cash flow. Although we believe the level of our insurance coverage should be sufficient to cover reasonably expected claims, it is possible that one or more claims could exceed our aggregate coverage limits. Also, there are some types of losses such as from hurricanes, terrorism, wars, or earthquakes where insurance is limited and/or not economically justifiable. If an uninsured loss occurs, it could adversely affect our operating results and cash flow.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Properties used in our construction operations are summarized below. We believe our properties are well maintained, in good condition, adequate and suitable for our purposes.

Principal Offices	Business Segment(s)	Owned or Leased by Tutor Perini	Approximate Acres	Approximate Square Feet of Office Space
Framingham, MA	Management Services	Owned	9	103,500
Las Vegas, NV	Building	Leased	-	88,100
Hendersen, NV	Building	Owned	12	62,200
Jessup, MD	Civil	Owned	9	46,000
Sylmar, CA	Building, Civil and Management Services	Leased	-	45,700
Redwood City, CA	Building	Leased	-	44,900
Philadelphia, PA	Building	Leased	-	35,800
Sylmar, CA	Building	Owned	2	28,700
Phoenix, AZ	Building	Leased	-	28,400
Barrigada, Guam	Management Services	Owned	4	27,000
Irvine, CA	Building	Owned	2	24,500
Folcroft, PA	Building	Leased	-	21,600
New Rochelle, NY	Civil	Owned	1	21,500
Peekskill, NY	Civil	Owned	5	21,000
Ft. Lauderdale, FL	Building	Leased	-	17,500
San Diego, CA	Building	Leased	-	13,200
Roseville, CA	Building	Leased	-	13,100
Lakeview Terrace, CA	Civil	Leased	-	11,000
San Leandro, CA	Civil	Leased	-	7,800
Orlando, FL	Building	Leased	-	4,700
Arlington, VA	Building	Leased	-	2,900
Seattle, WA	Civil	Leased	-	2,800
Metro Manila, Philippines	Management Services	Leased	-	2,500
Pleasanton, CA	Building	Leased	-	1,300
Agana Heights, Guam	Management Services	Owned	-	800
Los Angeles, CA	Building	Leased	-	400
Austin, TX	Building	Leased	-	200
			44	677,100

Principal Permanent Storage Yards				
Fontana, CA	Building and Civil	Leased	33	
Las Vegas, NV	Building	Owned	29	
Barrigada, Guam	Management Services	Owned	13	
Elkridge, MD	Civil	Owned	7	
Jessup, MD	Civil	Owned	7	
Stockton, CA	Building	Owned	7	
Barrigada, Guam	Management Services	Leased	4	
Annapolis Junction, MD	Civil	Owned	3	
Las Vegas, NV	Building	Leased	3	
Lakeview Terrace, CA	Civil	Leased	2	
San Leandro, CA	Civil	Leased	1	
Framingham, MA	Building and Civil	Owned	1	
Seattle, WA	Civil	Leased	-	
Salt Lake City, UT	Civil	Leased	-	
Pasig, Philippines	Management Services	Leased	-	
			110	

ITEM 3. LEGAL PROCEEDINGS

Legal Proceedings are set forth in Part IV, Item 15 in this report and are hereby incorporated in this Item 3 by reference (see Note 8 of Notes to Consolidated Financial Statements entitled "Contingencies and Commitments").

ITEM 4. (REMOVED AND RESERVED)

EXECUTIVE OFFICERS OF THE REGISTRANT

Listed below are the names, offices held, ages and business experience of our executive officers.

Name, Offices Held and Age	*Year First Elected to Present Office and Business Experience*
Ronald N. Tutor, Director, Chairman and Chief Executive Officer – 70	He has served as a Director since January 1997 and has served as our Chief Executive Officer since March 2000. He has also served as our Chairman since July 1999, Vice Chairman from January 1998 to July 1999, and Chief Operating Officer from January 1997 until March 2000 when he became Chief Executive Officer. Prior to our merger with Tutor-Saliba Corporation in September 2008, Mr. Tutor served as Chairman, President and Chief Executive Officer of Tutor-Saliba Corporation since prior to 1995 and actively managed that company since 1966.
Robert Band, Director and President of Tutor Perini and Chief Executive Officer, Management Services Group – 63	He was appointed Chief Executive Officer of Management Services Group in March 2009. He has served as a Director since May 1999. He has also served as our President since May 1999 and as Chief Operating Officer from March 2000 to March 2009. Previously, he served as Chief Executive Officer from May 1999 until March 2000, Executive Vice President and Chief Financial Officer from December 1997 until May 1999, and President of Perini Management Services, Inc. since January 1996. Previously, he served in various operational and financial capacities since 1973, including Treasurer from May 1988 to January 1990.
James ("Jack") Frost, Executive Vice President and Chief Executive Officer, Civil Group – 57	He was appointed to his current position in March 2009. Previously he was Executive Vice President and Chief Operating Officer of Tutor-Saliba. He joined Tutor-Saliba in 1988.
Mark A. Caspers, Executive Vice President and Chief Executive Officer, Building Group – 47	He was appointed to his current position in March 2009. Previously he was President and Chief Operating Officer of Perini Building Company, where he has worked since 1982.
Kenneth R. Burk, Executive Vice President and Chief Financial Officer – 51	He was appointed to his current position in March 2009. Previously he served as Senior Vice President and Chief Financial Officer from September 2007 to March 2009. From February 2001 until July 2007, he served as President and Chief Executive Officer of Union Switch and Signal, Inc., a provider of technology services, control systems and specialty rail components for the rail transportation industry. From 1999 until 2000, he served as Executive Vice President and Chief Operating Officer of Railworks Corporation, a provider of services and supplies to the rail transportation industry. From 1994 to 1999, he served as Senior Vice President and Chief Financial Officer of Dick Corporation, a Pittsburgh, Pennsylvania-based engineering and construction firm.
William B. Sparks, Executive Vice President, Treasurer and Corporate Secretary – 62	He was appointed to his current position in March 2009. He joined Tutor-Saliba in 1995 as Senior Vice President and Chief Financial Officer.

Our officers are elected on an annual basis at the Board of Directors' Meeting immediately following the Annual Meeting of Stockholders in May, to hold such offices until the Board of Directors' Meeting following the next Annual Meeting of Stockholders and until their respective successors have been duly appointed or until his earlier resignation or removal.

PART II.

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our common stock is traded on the New York Stock Exchange under the symbol "TPC". In 2009, we changed our name to Tutor Perini Corporation from Perini Corporation and accordingly changed our symbol from "PCR" to "TPC". The quarterly market high and low sales prices for our common stock in 2010 and 2009 are summarized below:

	2010		2009	
	High	Low	High	Low
Market Price Range per Common Share:				
Quarter Ended				
March 31	$ 23.75 -	$ 18.15	$ 26.60 -	$ 10.21
June 30	25.48 -	16.37	23.77 -	11.73
September 30	21.25 -	15.56	21.98 -	13.83
December 31	23.85 -	18.60	22.35 -	16.26

Dividends

On October 25, 2010 our Board of Directors declared a special cash dividend of $1.00 per share of common stock. The dividend was paid on November 12, 2010 to stockholders of record on November 4, 2010. Prior to the special cash dividend paid in 2010, we had not paid any cash dividends on our common stock since 1990.

Holders

At February 25, 2011, there were 728 holders of record of our common stock, including holders of record on behalf of an indeterminate number of beneficial owners, based on the stockholders list maintained by our transfer agent.

Issuer Purchases of Equity Securities

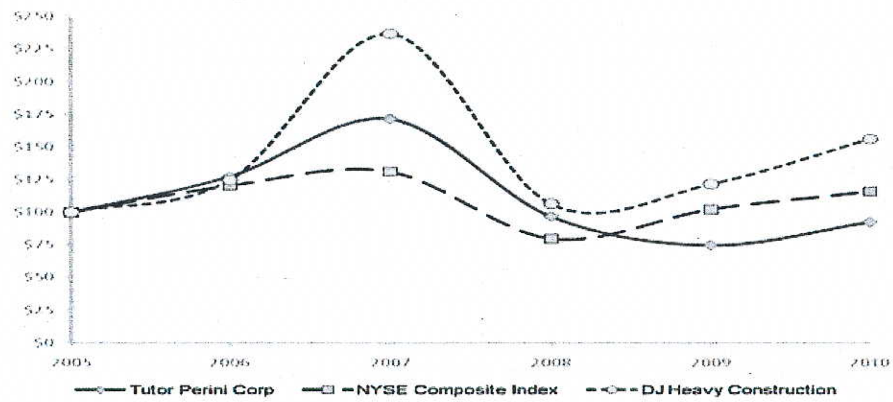
There were no repurchases by the Company of its equity securities during the three months ended December 31, 2010.

Performance Graph

The following graph compares the cumulative 5-year total return to shareholders on our common stock relative to the cumulative total returns of the New York Stock Exchange Composite Index ("NYSE") and the Dow Jones Heavy Construction Index ("DJ Heavy Construction"). We selected the DJ Heavy Construction because we believe the index reflects the market conditions within the industry we primarily operate. The comparison of total return on investment, defined as the change in year-end stock price plus reinvested dividends, for each of the periods assumes that $100 was invested on January 1, 2005, in each of our common stock, the NYSE and the DJ Heavy Construction, with investment weighted on the basis of market capitalization.

The comparisons in the following graph are based on historical data and are not intended to forecast the possible future performance of our common stock.

**COMPARISON OF 5-YEAR CUMULATIVE TOTAL RETURN
AMONG TUTOR PERINI CORPORATION,
NYSE COMPOSITE INDEX AND DJ HEAVY CONSTRUCTION INDEX**



	Fiscal Year Ending December 31,					
	2005	2006	2007	2008	2009	2010
Tutor Perini Corporation	100.00	127.45	171.51	96.81	74.87	92.53
NYSE Composite Index	100.00	120.47	131.15	79.67	102.20	115.88
DJ Heavy Construction	100.00	124.74	236.96	106.34	121.55	156.07

The information included under the heading “Performance Graph” in Item 5 of this Annual Report on Form 10-K is “furnished” and not “filed” and shall not be deemed to be “soliciting material” or subject to Regulation 14A, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act.

ITEM 6. SELECTED FINANCIAL DATA

Selected Consolidated Financial Information

The following selected financial data has been derived from our audited consolidated financial statements and should be read in conjunction with the consolidated financial statements, the related notes thereto and the independent auditors' report thereon, and "Management's Discussion and Analysis of Financial Condition and Results of Operations," which are included elsewhere in this Form 10-K and in previously filed annual reports on Form 10-K of Tutor Perini Corporation. Backlog and new business awarded are not measures defined in accounting principles generally accepted in the United States of America and have not been derived from audited consolidated financial statements.

	Year Ended December 31,				
	2010 (1)	2009 (2)	2008 (3)	2007	2006
	(In thousands, except per share data)				
OPERATING SUMMARY					
Revenues:					
Building	$ 2,326,980	$ 4,484,937	$ 5,146,563	$ 4,248,814	$ 2,515,051
Civil	667,704	361,677	310,722	234,778	281,137
Management Services	204,526	305,352	203,001	144,766	246,651
Total	3,199,210	5,151,966	5,660,286	4,628,358	3,042,839
Cost of Operations	2,861,362	4,763,919	5,327,056	4,379,464	2,873,444
Gross Profit	337,848	388,047	333,230	248,894	169,395
G&A Expense	165,536	176,504	133,998	107,913	98,516
Goodwill and Intangible Asset Impairment (4)	-	-	224,478	-	-
Income (Loss) From Construction Operations	172,312	211,543	(25,246)	140,981	70,879
Other Income (Expense), Net	(2,280)	1,098	9,559	15,361	2,581
Interest Expense	(10,564)	(7,501)	(4,163)	(1,947)	(3,771)
Income (Loss) Before Income Taxes	159,468	205,140	(19,850)	154,395	69,689
Provision for Income Taxes	(55,968)	(68,079)	(55,290)	(57,281)	(28,153)
Net Income (Loss)	**$ 103,500**	**$ 137,061**	**$ (75,140)**	**$ 97,114**	**$ 41,536**
Income (Loss) Available for Common Stockholders	$ 103,500	$ 137,061	$ (75,140)	$ 97,114	$ 41,117(5)
Per Share of Common Stock:					
Basic Earnings (Loss)	$ 2.15	$ 2.82	$ (2.19)	$ 3.62	$ 1.56
Diluted Earnings (Loss)	$ 2.13	$ 2.79	$ (2.19)	$ 3.54	$ 1.54
Cash Dividend Paid	$ 1.00	$ -	$ -	$ -	$ -
Book Value	$ 27.88	$ 26.54	$ 23.56	$ 13.65	$ 9.18
Weighted Average Common Shares Outstanding:					
Basic	48,111	48,525	34,272	26,819	26,308
Diluted	48,649	49,084	34,272	27,419	26,758

	2010 (1)	2009 (2)	2008 (3)	2007	2006
	Year Ended December 31, (In thousands, except ratios)				
FINANCIAL POSITION SUMMARY					
Working Capital	$ 592,928	$ 303,118	$ 225,049	$ 293,521	$ 193,952
Current Ratio	1.61x	1.23x	1.13x	1.24x	1.22x
Long-term Debt, less current maturities	374,350	84,771	61,580	13,358	34,135
Stockholders' Equity	1,312,994	1,288,426	1,138,226	368,334	243,859
Ratio of Long-term Debt to Equity	.29x	.07x	.05x	.04x	.14x
Total Assets	$ 2,779,220	$ 2,820,654	$ 3,073,078	$ 1,654,115	$ 1,195,992
OTHER DATA					
Backlog at Year End (6)	$ 4,284,290	$ 4,310,191	$ 6,675,903	$ 7,567,665	$ 8,451,381
New Business Awarded (7)	$ 3,173,309	$ 2,786,256	$ 4,768,524	$ 3,744,642	$ 3,596,436

(1) Includes the results of Superior Gunite, acquired November 1, 2010. See Note 15 of Notes to Consolidated Financial Statements entitled "Acquisitions".
(2) Includes the results of Keating, acquired January 15, 2009. See Note 15 of Notes to Consolidated Financial Statements entitled "Acquisitions".
(3) Includes the results of Tutor-Saliba, acquired September 8, 2008.
(4) Represents $224.5 million impairment charge to adjust goodwill and certain intangible assets to their fair values in the fourth quarter of 2008. See Note 3 of Notes to Consolidated Financial Statements entitled "Goodwill and Other Intangible Assets".
(5) Includes an adjustment to net income for the excess of fair value over carrying value upon redemption of the remaining outstanding balance of our $21.25 Preferred Stock, or $2.125 Depositary Shares, in May 2006.
(6) A construction project is included in our backlog at such time as a contract is awarded or a letter of commitment isobtained and adequate construction funding is in place. Backlog is not a measure defined in accounting principles generally accepted in the United States of America, or GAAP, and our backlog may not be comparable to the backlog of other companies. Management uses backlog to assist in forecasting future results.
(7) New business awarded consists of the original contract price of projects added to our backlog in accordance with Note (6) above plus or minus subsequent changes to the estimated total contract price of existing contracts. Management uses new business awarded to assist in forecasting future results.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

We were incorporated in 1918 as a successor to businesses that had been engaged in providing construction services since 1894. We provide diversified general contracting, construction management and design-build services to private clients and public agencies throughout the world. Our construction business is conducted through three basic segments or operations: civil, building, and management services. Our civil segment specializes in public works construction and the repair, replacement and reconstruction of infrastructure, including highways, bridges, mass transit systems and water and wastewater treatment facilities, primarily in the western, northeastern and mid-Atlantic United States. Our building segment has significant experience providing services to a number of specialized building markets, including the hospitality and gaming, transportation, healthcare, municipal offices, sports and entertainment, educational, correctional facilities, biotech, pharmaceutical and high-tech markets, and electrical and mechanical, plumbing and HVAC services. Our management services segment provides diversified construction and design-build services to the U.S. military and federal government agencies, as well as surety companies and multi-national corporations in the United States and overseas.

The contracting and management services that we provide consist of general contracting, pre-construction planning and comprehensive management services, including planning and scheduling the manpower, equipment, materials and subcontractors required for the timely completion of a project in accordance with the terms and specifications contained in a construction contract. We also offer self-performed construction services including site work, concrete forming and placement, steel erection, electrical and mechanical, plumbing and HVAC. We provide these services by using traditional general contracting arrangements, such as fixed price, guaranteed maximum price and cost plus fee contracts and, to a lesser extent, construction management or design-build contracting arrangements. In the ordinary course of our business, we enter into arrangements with other contractors, referred to as "joint ventures," for certain construction projects. Each of the joint venture participants is usually committed to supply a predetermined percentage of capital, as required, and to share in a predetermined percentage of the income or loss of the project. Generally, each joint venture participant is fully liable for the obligations of the joint venture.

For the year ended December 31, 2010, we recorded revenues of $3.2 billion, income from construction operations of $172.3 million and net income of $103.5 million. We received significant new contract awards, as well as additions to existing contracts, and ended the year with a contract backlog of $4.3 billion. At December 31, 2010, we had working capital of $592.9 million, a ratio of current assets to current liabilities of 1.61 to 1.00, and a ratio of long-term debt to equity of 0.29 to 1.00. Our stockholders' equity increased to $1.3 billion as of December 31, 2010, reflecting the operating results achieved in 2010, despite difficult economic conditions particularly in the construction industry.

Recent Developments

Acquisition of Fisk Electric

On January 3, 2011, we completed the acquisition of Fisk Electric Company ("Fisk"), a privately held electrical construction company based in Houston, Texas. Under the terms of the transaction, we acquired 100% of Fisk's stock for $105 million in cash, subject to a post-closing adjustment based on the net worth of Fisk at closing, plus an amount to be determined based upon Fisk's operating results for 2011 through 2013. The transaction was financed using proceeds from the offering of senior unsecured notes which was completed in October 2010 (see "Senior Notes Offering" section below).

Based in Houston, Texas, Fisk covers many of the major commercial and industrial electrical construction markets in Southwest and Southeast locations with abilities to cover other attractive markets nationwide. Fisk's expertise in the design development of electrical and technology systems for major projects spans a broad variety of project types including: commercial office buildings, sports arenas, hospitals, research laboratories, hospitality and casinos, convention centers, and industrial facilities.

Fisk was acquired because we believe that Fisk is a strong strategic fit enabling us to expand our nationwide electrical construction capabilities and to realize significant synergies and opportunities in support of our non-residential building and civil operations.

Acquisition of Superior Gunite

On November 1, 2010, we completed the acquisition of Superior Gunite, a California based privately held construction company specializing in pneumatically placed structural concrete and certain related companies (collectively, "Superior"). Under the terms of the transaction, we acquired 100% of the stock of Superior for a purchase price of $35.8 million in cash, including a post-closing adjustment based on the net worth of Superior at closing, plus additional consideration in the form of an earn-out based on Superior's fiscal 2011 through 2013 operating results. Superior was acquired because we believe it is a strong strategic fit, enabling us to achieve greater vertical integration by increasing the percentage of work we self-perform in our building and civil operations.

Senior Notes Offering

On October 20, 2010, we completed a private placement offering of $300 million in aggregate principal amount of 7.625% senior unsecured notes (the "Notes"), due November 1, 2018 to several initial purchasers. The Notes were priced at 99.258% of par, resulting in a yield to maturity of 7.75%. The Notes were made available in a private offering that is exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act") and are guaranteed by certain subsidiary guarantors. The initial purchasers subsequently sold the Notes to qualified institutional buyers and to persons outside of the United States, as defined under the Securities Act. The private placement of the Notes resulted in net proceeds of approximately $297.8 million to the Company after deducting debt discount of $2.2 million. We intend to use the net proceeds from the offering of the Notes for general corporate purposes, including acquisitions such as Fisk Electric and Superior Gunite noted above, and stock repurchases.

Additionally, on October 20, 2010 in connection with the private placement of the Notes, the Company, our subsidiaries and the initial purchasers of the Notes entered into a Registration Rights Agreement that requires the Company and our subsidiaries, among other things, to use their commercially reasonable efforts to file a registration statement with the SEC and to cause such registration statement to be declared effective by the SEC within 365 days of the issue date of the Notes with respect to an offer to exchange the Notes for a new issue of debt securities, with substantially identical terms registered under the Securities Act. For further information on the Notes, see Note 4 of Notes to Consolidated Financial Statements.

Amended Credit Facility

On October 20, 2010, an amendment to the Third Amended and Restated Credit Agreement (the "Amended Credit Agreement") became effective that provided for, among other things, (i) the permitted incurrence of the additional indebtedness under the issuance of the Notes, (as described above), (ii) modifications to certain covenants to permit our consummation of the issuance of the Notes, and (iii) certain other modifications to our financial covenants and certain other covenants.

MGM CityCenter Matter

In public statements, MGM asserted its intent to enter into settlement discussions directly with subcontractors under contract with us. As of December 31, 2010 MGM has reached agreements with subcontractors to settle at a discount approximately $241 million of amounts billed to MGM. We have reduced amounts included in revenues, cost of construction operations, accounts receivable and accounts payable for the reduction in subcontractor pass-through billings. At December 31, 2010 we had approximately $249 million recorded as contract receivables for amounts due and owed to us and our subcontractors. Included in our receivables are pass-through subcontractor billings for contract work and retention, and other requests for equitable adjustment for additional work in the amount of $136 million. As subcontractor pass-through billings are settled, we will reduce our mechanic's lien as appropriate. In the event MGM reaches additional settlements with subcontractors for amounts less than currently due and we agree to the settlement, we will reduce amounts included in revenues, cost of construction operations, accounts receivable and accounts payable for the reduction in subcontractor pass-through billings, which we would not expect to have an impact on recorded profit.

Declaration and Payment of Special Dividend

On October 25, 2010, the Board of Directors declared a special cash dividend of $1.00 per share of common stock payable to shareholders of record on November 4, 2010. The special dividend was paid on November 12, 2010.

Common Stock Repurchase Program

On March 19, 2010, our Board of Directors extended the common stock repurchase program put into place on November 13, 2008. The program allows us to repurchase up to $100 million of our common stock through March 31, 2011. Under the terms of the program, we may repurchase shares in open market purchases or through privately negotiated transactions. The timing and amount of any repurchase will be based on our evaluation of market conditions, business considerations and other factors. We expect to use cash on hand to fund repurchases of our common stock. Stock repurchases will be conducted in compliance with the safe harbor provisions of Rule 10b-18 under the Securities Exchange Act of 1934, as amended. Repurchases also may be made under Rule 10b5-1 plans, which would permit common stock to be purchased when we would otherwise be prohibited from doing so under insider trading laws. The share repurchase program does not obligate us to repurchase any dollar amount or number of shares of our common stock, and the program may be extended, modified, suspended or discontinued at any time, at our discretion. During 2010, we repurchased 2,164,840 shares under the program for an aggregate purchase price of $39.4 million. There were no repurchases made during 2009. During 2008, we repurchased 2,003,398 shares for an aggregate purchase price of $31.8 million under the program.

Backlog Analysis for 2010

Our backlog of uncompleted construction work at December 31, 2010 was approximately $4.3 billion, as compared to the $4.3 billion at December 31, 2009. Building segment backlog decreased during the year as a result of the substantial completion of large hospitality and gaming projects in Las Vegas, Nevada, and the lack of new work acquired in the non-residential building markets. Civil segment backlog increased as anticipated due to the award of new projects in California, metropolitan New York and Washington state. The Company expects to continue to replace a portion of its high contract volume building projects with a growing share of higher margin new civil projects. The following table provides an analysis of our backlog by business segment for the year ended December 31, 2010.

	Backlog at December 31, 2009	New Business Awarded (1)	Revenue Recognized in 2010	Backlog at December 31, 2010
		(in millions)		
Building	$ 3,125.8	$ 1,864.5	$ (2,327.0)	$ 2,663.3
Civil	1,001.5	1,026.3	(667.7)	1,360.1
Management Services	182.9	282.5	(204.5)	260.9
Total	$ 4,310.2	$ 3,173.3	$ (3,199.2)	$ 4,284.3

(1) New business awarded consists of the original contract price of projects added to our backlog plus or minus subsequent changes to the estimated total contract price of existing contracts.

Critical Accounting Policies

Our accounting and financial reporting policies are in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The preparation of our consolidated financial statements in conformity with GAAP requires us to make estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date, and the reported amounts of revenues and expenses during the reporting period. Although our significant accounting policies are described in Note 1, "Summary of Significant Accounting Policies," of the Notes to Consolidated Financial Statements in Item 15 of this Form 10-K, the following discussion is intended to describe those accounting policies most critical to the preparation of our consolidated financial statements.

Use of Estimates - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Our construction business involves making significant estimates and assumptions in the normal course of business relating to our contracts and our joint venture contracts due to, among other things, the one-of-a-kind nature of most of our projects, the long-term duration of our contract cycle and the type of contract utilized. Therefore, management believes that the "Method of Accounting for Contracts" is the most important and critical accounting policy. The most significant estimates with regard to these financial statements relate to the estimating of total forecasted construction contract revenues, costs and profits in accordance with accounting for long-term contracts (see Note 1(d) of Notes to Consolidated Financial Statements) and estimating potential liabilities in conjunction with certain contingencies, including the outcome of pending or future litigation, arbitration or other dispute resolution proceedings relating to contract claims (see Note 8 of Notes to Consolidated Financial Statements). Actual results could differ from these estimates and such differences could be material.

Our estimates of contract revenue and cost are highly detailed. We believe, based on our experience, that our current systems of management and accounting controls allow us to produce materially reliable estimates of total contract revenue and cost during any accounting period. However, many factors can and do change during a contract performance period which can result in a change to contract profitability from one financial reporting period to another. Some of the factors that can change the estimate of total contract revenue and cost include differing site conditions (to the extent that contract remedies are unavailable), the availability of skilled contract labor, the performance of major material suppliers to deliver on time, the performance of major subcontractors, unusual weather conditions and the accuracy of the original bid estimate. Because we have many contracts in process at any given time, these changes in estimates can offset each other without impacting overall profitability. However, large changes in cost estimates on larger, more complex construction projects can have a material impact on our financial statements and are reflected in our results of operations when they become known.

When recording revenue on contracts relating to unapproved change orders and claims, we include in revenue an amount equal to the amount of costs incurred by us to date for contract price adjustments that we seek to collect from customers for delays, errors in specifications or designs, change orders in dispute or unapproved as to scope or price, or other unanticipated additional costs, in each case when recovery of the costs is considered probable. When determining the likelihood of eventual recovery, we consider such factors as evaluation of entitlement, settlements reached to date and our experience with the customer. The settlement of these issues may take years depending upon whether the item can be resolved directly with the customer or involves litigation or arbitration. When new facts become known, an adjustment to the estimated recovery is made and reflected in the current period results.

The amount of unapproved change order and claim revenue is included in our balance sheet as part of costs and estimated earnings in excess of billings. The amount of costs and estimated earnings in excess of billings relating to unapproved change orders and claims included in our balance sheet at December 31, 2010 and 2009 is summarized below:

	December 31, 2010	December 31, 2009
	(in thousands)	
Unapproved Change Orders	$ 49,949	$ 32,683
Claims	75,215	68,358
	$ 125,164	$ 101,041

Of the balance of unapproved change orders and claims included in costs and estimated earnings in excess of billings at December 31, 2010 and December 31, 2009, approximately $74.1 million and $62.7 million respectively, are amounts subject to pending litigation or dispute resolution proceedings as described in Item 3, "Legal Proceedings" and Note 8, "Contingencies and Commitments" of Notes to Consolidated Financial Statements for the respective periods. These amounts are management's estimate of the probable cost recovery from the disputed claims considering such factors as evaluation of entitlement, settlements reached to date and our experience with the customer. In the event that future facts and circumstances, including the resolution of disputed claims, cause us to reduce the aggregate amount of our estimated probable cost recovery from the disputed claims, we will record the amount of such reduction against earnings in the relevant future period.

Method of Accounting for Contracts – Revenues and profits from our contracts and construction joint venture contracts are recognized by applying percentages of completion for the period to the total estimated profits for the respective contracts. Percentage of completion is determined by relating the actual cost of the work performed to date to the current estimated total cost of the respective contracts. When the estimate on a contract indicates a loss, the entire loss is recorded during the accounting period in which it is estimated. In the ordinary course of business, at a minimum on a quarterly basis, we prepare updated estimates of the total forecasted revenue, cost and profit or loss for each contract. The cumulative effect of revisions in estimates of the total forecasted revenue and costs, including unapproved change orders and claims, during the course of the work is reflected in the accounting period in which the facts that caused the revision become known. The financial impact of these revisions to any one contract is a function of both the amount of the revision and the percentage of completion of the contract. An amount equal to the costs incurred that are attributable to unapproved change orders and claims is included in the total estimated revenue when realization is probable. For a further discussion of unapproved change orders and claims, see Item 1, "Business – Types of Contracts and The Contract Process" and Item 1A, "Risk Factors". Profit from unapproved change orders and claims is recorded in the accounting period in which such amounts are resolved.

Billings in excess of costs and estimated earnings represents the excess of contract billings to date over the amount of contract costs and profits (or contract revenue) recognized to date on the percentage of completion accounting method. Costs and estimated earnings in excess of billings represents the excess of contract costs and profits (or contract revenue) recognized to date on the percentage of completion accounting method over contract billings to date. Costs and estimated earnings in excess of billings results when (1) the appropriate contract revenue amount has been recognized in accordance with the percentage of completion accounting method, but a portion of the revenue recorded cannot be billed currently due to the billing terms defined in the contract and/or (2) costs, recorded at estimated realizable value, related to unapproved change orders or claims are incurred. For unapproved change orders or claims that cannot be resolved in accordance with the normal change order process as defined in the contract, we may employ other dispute resolution methods, including mediation, binding and non-binding arbitration, or litigation. See Item 3 – "Legal Proceedings" and Note 8, "Contingencies and Commitments" of Notes to Consolidated Financial Statements. The prerequisite for billing unapproved change orders and claims is the final resolution and agreement between the parties. Costs and estimated earnings in excess of billings related to our contracts and joint venture contracts at December 31, 2010 is discussed above under "Use of Estimates" and in Note 1(d) of Notes to Consolidated Financial Statements.

Impairment of Goodwill and Other Intangible Assets - We test goodwill and intangible assets with indefinite lives, primarily trade names and contractor license, for impairment by applying a fair value test in the fourth quarter of each year and between annual tests if events occur or circumstances change which suggest that the goodwill or indefinite-lived intangible assets should be evaluated. Intangible assets with finite lives are tested for impairment whenever events or circumstances indicate that the carrying value may not be recoverable.

During 2009, we completed a reorganization enabling us to realize greater operating efficiencies and take full advantage of the civil construction expertise acquired through the merger with Tutor-Saliba. As a result of the reorganization, the composition and number of reporting units has changed. We reallocated goodwill between its reorganized reporting units based on the relative fair value of pre-reorganization reporting unit components distributed to post-reorganization reporting units. The number of reportable segments has not changed (see Note 12 entitled "Business Segments" in the Notes to Consolidated Financial Statements). During 2010, we acquired Superior Gunite, which is included in our civil reportable segment.

When testing goodwill, we compare the fair value of the reporting unit to its carrying value. If the carrying value exceeds the fair value, we determine the fair value of the reporting unit's individual assets and liabilities and calculate the implied fair value of goodwill. The impairment charge equals the excess of the carrying value of goodwill, if any, over the implied fair value of goodwill. To determine the fair value of the reporting unit, we primarily use the income approach which is based on the cash flows that the reporting unit expects to generate in the future. This income valuation method requires management to project revenues, operating expenses, working capital investment, capital spending and cash flows for the reporting unit over a multi-year period, as well as determine the weighted-average cost of capital to be used as a discount rate. Impairment assessment inherently involves management judgments as to assumptions about expected future cash flows and the impact of market conditions on those assumptions. We also use the market valuation method to estimate the fair value of our reporting units by utilizing industry multiples of operating earnings. When calculating impairment for intangible assets with indefinite lives, we compare the fair value of these assets, as determined based on the income and market valuation methods, to the carrying value. The impairment charge equals the excess of the carrying value of the asset, if any, over its fair value.

An implied control premium for the Company is calculated based on the fair value and the market capitalization at the date of our fair value assessment. In evaluating whether our implied control premium is reasonable, we consider a number of factors including the following factors of greatest significance.

- *Market control premium*: We compare our implied control premium to the average control premium paid in transactions of companies in the construction industry during the year of evaluation.
- *Sensitivity analysis:* We perform a sensitivity analysis to determine the minimum control premium required to recover the book value of the Company at the testing date. The minimum control premium required is then compared to the average control premium paid in transactions of companies in the construction industry during the year of evaluation.

- *Impact of low public float and limited trading activity*: A significant portion of our common stock is owned by our Chairman and CEO. As a result, the public float of our common stock, calculated as the percentage of shares of common stock freely traded by public investors divided by our total shares outstanding, is significantly lower than that of our publicly traded peers. This circumstance does not impact the fair value of the Company, however based on our evaluation of third party market data, we believe it does lead to an inherent marketability discount impacting our stock price.

On a quarterly basis we consider whether events or changes in circumstances indicate that assets, including goodwill and intangible assets not subject to amortization might be impaired. In conjunction with this analysis, we evaluate whether our current market capitalization is less than our stockholders' equity and specifically consider (1) the duration and severity of any decline in market capitalization, (2) a reconciliation of the implied control premium to a current market control premium, (3) target price assessments by third party analysts and (4) how current market conditions impact our forecast of future cash flows. We also update our assessment of the fair value of each of our reporting units, considering whether our current forecast of future cash flows are in line with those used in our most recent annual impairment assessment and whether there are any significant changes in trends or any other material assumption used. As of December 31, 2010 we have concluded that we do not have an impairment indicator and that the estimated fair value of each reporting unit substantially exceeds its carrying value. There were no impairment charges recorded in 2010 or 2009.

In the fourth quarter of 2010, we performed an impairment evaluation of goodwill and other intangible assets. There was no change in the carrying amount of goodwill and other intangible assets as a result of this evaluation. As of the date of the most recent annual impairment analysis, the fair value of the Company substantially exceeded the carrying value of $1.3 billion and the market capitalization of $914 million. The implied control premium was within the range of market control premiums paid in transactions of companies in the construction industry during 2010.

Fair Value Measurements – We determined that we utilize unobservable (Level 3) inputs in determining the fair value of our investments in auction rate securities, valued at $88.1 million as of December 31, 2010. All of these instruments are classified as available for sale securities as of December 31, 2010. We have determined the estimated fair values of these securities utilizing a discounted cash flow analysis. In addition, we obtained an independent valuation of some of our auction rate security instruments and considered these valuations in determining the estimated fair values of the auction rate securities in our portfolio. Our analyses considered, among other items, the collateralization underlying the security investments, the expected future cash flows, including the final maturity, associated with the securities, and estimates of the next time the security is expected to have a successful auction or return to full par value.

In conjunction with our estimates of fair value at December 31, 2010, we determined that certain of our investments in auction rate securities were impaired and, accordingly, we recognized a $5.7 million impairment charge. This impairment charge was deemed to be other-than-temporary, thereby resulting in a charge to income. See Note 2 of Notes to Consolidated Financial Statements for more information.

Share-based Compensation - We have granted restricted stock units and stock options to certain employees and non-employee directors. We recognize share-based compensation expense net of an estimated forfeiture rate and only recognize compensation expense for those shares expected to vest on a straight-line basis over the requisite service period of the award (which corresponds to the vesting period). Determining the appropriate fair value model and calculating the fair value of stock option awards requires the input of highly subjective assumptions, including the expected life of the stock option awards and the expected volatility of our stock price over the life of the awards. We used the Black-Scholes-Merton option pricing model to value our stock option awards, and utilized the historical volatility of our common stock as a reasonable estimate of the future volatility of our common stock over the expected life of the awards. The assumptions used in calculating the fair value of share-based payment awards represent our best estimates, but these estimates involve inherent uncertainties and the application of management's judgment. As a result, if factors change which require the use of different assumptions, share-based compensation expense could be materially different in the future. In addition, if the actual forfeiture rate is materially different from our estimate, share-based compensation expense could be significantly different from what has been recorded through December 31, 2010.

Insurance Liabilities – We assume the risk for the amount of the self-insured deductible portion of the losses and liabilities primarily associated with workers' compensation, general liability and automobile liability coverage. Losses are accrued based upon our estimates of the aggregate liability for claims incurred using historical experience and certain actuarial assumptions followed in the insurance industry. The estimate of our insurance liability within our self-insured deductible limits includes an estimate of incurred but not reported claims based on data compiled from historical experience. Actual experience could differ significantly from these estimates and could materially impact our consolidated financial position and results of operations. We purchase varying levels of insurance from third parties, including excess liability insurance, to cover losses in excess of our self-insured deductible limits. Currently, our self-insured deductible limit for workers' compensation, general liability and automobile coverage is generally $1.0 million per occurrence. In addition, on certain projects, we assume the risk for the amount of the self-insured deductible portion of losses that arise from any subcontractor defaults. Our self-insured deductible limit for subcontractor default on projects covered under our program is $2.0 million per occurrence, subject to a $3.5 million annual aggregate.

Accounting for Income Taxes – Information relating to our provision for income taxes and the status of our deferred tax assets and liabilities is presented in Note 5, "Income Taxes" of Notes to Consolidated Financial Statements. A key assumption in the determination of our book tax provision is the amount of the valuation allowance, if any, required to reduce the related deferred tax assets. The net deferred tax assets reflect management's estimate of the amount which will, more likely than not, reduce future taxable income.

We identified and reviewed potential tax uncertainties for tax positions taken or expected to be taken in a tax return and determined that the exposure to those uncertainties did not have a material impact on our results of operations or financial condition as of December 31, 2010.

Defined Benefit Retirement Plan – The status of our defined benefit pension plan obligations, related plan assets and cost is presented in Note 7 of Notes to Consolidated Financial Statements entitled "Employee Benefit Plans". Plan obligations and annual pension expense are determined by actuaries using a number of key assumptions which include, among other things, the discount rate and the estimated future return on plan assets. The discount rate of 5.84% used for purposes of computing the 2010 annual pension expense was determined at the beginning of the calendar year based upon an analysis performed by our actuaries which matches the cash flows of our plan's projected liabilities to bond investments of similar amounts and durations. We plan to change the discount rate used for computing the 2011 annual pension expense to 5.18% based upon a similar analysis by our actuaries.

The estimated return on plan assets is primarily based on historical long-term returns of equity and fixed income markets according to our targeted allocation of plan assets (75% equity and 25% fixed income). We plan to continue to use a return on asset rate of 7.5% in 2011 based on projected equity and bond market performance compared to long-term historical averages.

The plans' benefit obligations exceeded the fair value of plan assets on December 31, 2010, 2009, and 2008 by $26.4 million, $22.9 million and $30.3 million, respectively. Accordingly, we recorded adjustments to our pension liability with an offset to accumulated other comprehensive income (loss), a component of stockholders' equity.

Effective June 1, 2004, all benefit accruals under our pension plan were frozen; however, the vested benefit was preserved. Due to the expected increase in amortization of prior years' investment losses, we anticipate that pension expense will increase from $2.4 million in 2010 to $3.4 million in 2011. Cash contributions to our defined benefit pension plan are anticipated to be approximately $4.2 million in 2011. Cash contributions may vary significantly in the future depending upon asset performance and the interest rate environment.

Results of Operations -
2010 Compared to 2009

For the year ended December 31, 2010, we recorded revenues of $3,199.2 million, income from construction operations of $172.3 million and net income of $103.5 million. Basic and diluted earnings per common share for 2010 were $2.15 and $2.13, respectively, as compared to $2.82 and $2.79, respectively, for 2009.

Revenues from Construction Operations
The following table summarizes our revenue by segment.

(dollars in millions)	Revenues for the Year Ended December 31, 2010	2009	$ Change	% Change
Building	$ 2,327.0	$ 4,484.9	$ (2,157.9)	(48.1)%
Civil	667.7	361.7	306.0	84.6%
Management Services	204.5	305.4	(100.9)	(33.0)%
Total	$ 3,199.2	$ 5,152.0	$ (1,952.8)	(37.9)%

Overall revenues decreased by $1,952.8 million (or 37.9%), from $5,152.0 million in 2009 to $3,199.2 million in 2010. This decrease was due primarily to a $2,157.9 million decrease in our building segment revenues, from $4,484.9 million in 2009 to $2,327.0 million in 2010, resulting from the substantial completion of the CityCenter project in December 2009, which contributed approximately $2.0 billion of revenues to the building segment during 2009, as well as other declines in revenues in the hospitality and gaming and private nonresidential building markets due to continued financing and economic challenges arising from the current state of the global economy. Civil segment revenues increased by $306.0 million (or 84.6%), from $361.7 million in 2009 to $667.7 million in 2010, due to an increased number of projects under construction in the metropolitan New York area which were awarded during 2009. Management Services segment revenues decreased by $100.9 million (or 33.0%), from $305.4 million in 2009 to $204.5 million in 2010, due primarily to the completion of several overhead coverage system projects in Iraq and an airport facility in Guam.

Income from Construction Operations
The following table summarizes our income from construction operations by segment.

(dollars in millions)	Income from Construction Operations for the Year Ended December 31, 2010	2009	$ Change	% Change
Building	$ 95.8	$ 155.5	$ (59.7)	(38.4)%
Civil	87.8	44.3	43.5	98.2%
Management Services	22.2	53.4	(31.2)	(58.4)%
Corporate	(33.5)	(41.7)	8.2	(19.7)%
Total	$ 172.3	$ 211.5	$ (39.2)	(18.5)%

Overall income from construction operations decreased by $39.2 million (or 18.5%), from $211.5 million in 2009 to $172.3 million in 2010, due primarily to decreases in our building and management services segments. Building segment income from construction operations decreased by $59.7 million (or 38.4%), from $155.5 million in 2009 to $95.8 million in 2010, due primarily to the substantial completion in 2009 of several large projects in the hospitality and gaming and private nonresidential building markets, including the CityCenter project. However, our building segment achieved an increase in operating margin due to a higher mix of public works projects in 2010 and by increasing the amount of our self-performed work. Civil segment income from construction operations increased by $43.5 million (or 98.2%), from $44.3 million in 2009 to $87.8 million in 2010, due primarily to the increase in revenues discussed above coupled with favorable performance on certain large projects. Management services income from construction operations decreased by $31.2 million (or 58.4%), from $53.4 million 2009 to $22.2 million in 2010, reflecting the favorable performance achieved in 2009 upon substantial completion of several overhead coverage system projects in Iraq and an airport facility in Guam. Overall income from construction operations was favorably impacted by an $8.2 million (or 19.7%) decrease in corporate G&A expense, from $41.7 million in 2009 to $33.5 million in 2010, due to savings related to cost-reduction measures instituted during 2009.

Other Income (Expense), Interest Expense and Provision for Income Taxes

(dollars in millions)	Year Ended December 31, 2010	Year Ended December 31, 2009	$ Change	% Change
Other Income (Expense), net	$ (2.3)	$ 1.1	$ (3.4)	(309.1)%
Interest Expense	10.6	7.5	3.1	41.3%
Provision for Income Taxes	56.0	68.1	(12.1)	(17.8)%

Other income (expense), net decreased by $3.4 million (or 309.1%), from income of $1.1 million in 2009 to expense of $2.3 million in 2010, due primarily to the recognition of $5.7 million impairment charge relating to the adjustment of our investments in auction rate securities to fair value, and an increase in amortization of deferred debt costs due to the amendments to our credit agreement in 2010 and the issuance of our $300 million senior unsecured notes in October 2010. The impact of these increased charges was partly offset by a net reduction in certain business acquisition related liabilities.

Interest expense increased by $3.1 million (or 41.3%), from $7.5 million in 2009 to $10.6 million in 2010, primarily due to the interest expense recorded in 2010 associated with our $300 million senior unsecured notes, partly offset by a non-recurring interest charge recorded in 2009 and a reduction in interest expense due to not borrowing under our credit facility during 2010, as compared to 2009.

The provision for income taxes decreased by $12.1 million (or 17.8%), from $68.1 million in 2009 to $56.0 million in 2010, due primarily to the decrease in pretax income in 2010, as compared to 2009, partly offset by a higher effective tax rate. The effective tax rate for 2010 was 35.1% as compared to an effective tax rate of 33.2% for 2009. The lower tax rate in 2009 was the result of a favorable variance in permanent tax liability differences.

Results of Operations -
2009 Compared to 2008

In 2009, revenues decreased by $508.3 million to $5,152.0 million and gross profit increased by $54.8 million to $388.0 million. Income from construction operations increased by $236.8 million, from a loss of $25.2 million to income of $211.5 million. Net income increased by $212.2 million, from a loss of $75.1 million to income of $137.1 million. Excluding the recognition of a $224.5 million pretax ($202.8 million after tax) non-cash impairment charge relating to goodwill and other intangible assets recorded in 2008, income from construction operations would have increased $12.3 million from $199.2 million. The improvement of gross profit and income from construction operations primarily reflects the increased contribution of our civil segment and the addition of projects from the merger of Tutor-Saliba and the acquisition of Keating. Basic and diluted earnings per common share for 2009 were $2.82 and $2.79, respectively, as compared to basic and diluted loss per common share of $2.19 in 2008. Excluding the non-cash impairment charge, basic and diluted earnings per share in 2008 would have been $3.73 and $3.67, respectively.

Revenues from Construction Operations
The following table summarizes our revenues by segment.

(dollars in millions)	Revenues for the Year Ended December 31, 2009	Revenues for the Year Ended December 31, 2008	$ Change	% Change
Building	$ 4,484.9	$ 5,146.6	$ (661.7)	(12.8)%
Civil	361.7	310.7	51.0	16.4%
Management Services	305.4	203.0	102.4	50.4%
Total	$ 5,152.0	$ 5,660.3	$ (508.3)	(9.0)%

Overall revenues decreased by $508.3 million (or 9.0%), from $5,660.3 million in 2008 to $5,152.0 million in 2009. Revenue increases in both the civil and management services segments were offset by a decrease in building construction revenues of $661.7 million (or 12.8%). The decrease in building construction revenues is due to the completion of several large building projects in 2009 such as CityCenter, and was partially offset by the addition of $715.6 million in revenues from a full year of projects acquired in the merger with Tutor-Saliba and the acquisition of Keating. Civil construction revenues increased by $51.0 million (or 16.4%), from $310.7 million in 2008 to $361.7 million in 2009, due to the acquisition of new work during 2009, such as the I-5 Bridge replacement in Shasta County, California and the Caldecott Tunnel Project near Oakland, California. Management services revenues increased by $102.4 million (or 50.4%), from $203.0 million in 2008 to $305.4 million in 2009 due to an increase in volume from new work.

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Income (Loss) from Construction Operations
The following table summarizes by segment the income (loss) from construction operations before and after the impairment charge.

(dollars in millions)	Income (Loss) from Construction Operations for the Year Ended December 31, 2009	2008	$ Change	% Change
Building before impairment charge	$ 155.5	$ 151.8	$ 3.7	2.4%
Impairment charge	-	(197.6)	197.6	*NM**
Building, net	155.5	(45.8)	201.3	*NM**
Civil before impairment charge	44.3	28.1	16.2	57.6%
Impairment charge	-	(6.0)	6.0	*NM**
Civil, net	44.3	22.1	22.2	*NM**
Management Services before impairment charge	53.4	41.5	11.9	28.7%
Impairment charge	-	(20.9)	20.9	*NM**
Management Services, net	53.4	20.6	32.8	*NM**
Subtotal before impairment charge	253.2	221.4	31.8	14.4%
Impairment charge	-	(224.5)	224.5	*NM**
Subtotal, net of impairment charge	253.2	(3.1)	256.3	*NM**
Less: Corporate	(41.7)	(22.1)	(19.6)	88.7%
Total before impairment charge	211.5	199.3	12.2	6.1%
Impairment charge	-	(224.5)	224.5	*NM**
Total, net of impairment charge	$ 211.5	$ (25.2)	$ 236.7	*NM**

**NM– Not meaningful.*

The following discussion of income from construction operations has been prepared on a pre-impairment charge basis in order to enable users of this information to better compare normal operating results of each segment between the two periods. Since the impairment charge impacts 2008 only and does not affect revenues, cost of revenues or general expenses we incur to conduct our day-to-day construction operations, management believes the following discussion, analysis and comparison of 2009 and 2008 operating results is more meaningful to users when prepared on a pre-impairment charge basis.

Building construction income from operations before the impairment charge remained fairly consistent, increasing by $3.7 million (or 2.4%), from $151.8 million in 2008 to $155.5 million in 2009. Building construction income from operations, net of the impairment charge recorded in 2008, decreased slightly due to a decrease in revenues discussed above, and was favorably impacted in 2009 by a higher margin on certain large public works projects. Civil construction income from operations before the impairment charge increased by $16.2 million, or 57.6%, from $28.1 million in 2008 to $44.3 million in 2009. Our civil operations have been favorably impacted by a full year of Tutor-Saliba operations and by an increase in mass transit projects acquired during 2009. In conjunction with the increase in revenues discussed above, management services contributed to our income from operations in 2009. Management services income from operations before the impairment charge increased by $11.9 million (or 28.7%), from $41.5 million in 2008 to $53.4 million in 2009, primarily reflecting an increase in volume of work in Guam due to a full year of Tutor-Saliba operations in 2009.

Overall income from construction operations was unfavorably impacted by a $19.6 million increase in corporate general and administrative expenses, from $22.1 million in 2008 to $41.7 million in 2009, due primarily to a full year of Tutor-Saliba general and administrative expenses, one time charges related to the acquisition of Keating, and the integration of Tutor-Saliba, net of other cost reduction activities in corporate services.

Other Income, Interest Expense and Provision for Income Taxes

	Year Ended December 31,			
(dollars in millions)	2009	2008	$ Change	% Change
Other Income, net	$ 1.1	$ 9.6	$ (8.5)	(88.5)%
Interest Expense	7.5	4.2	3.3	78.6%
Provision for Income Taxes	68.1	55.3	12.8	23.1%

Other income decreased by $8.5 million, from $9.6 million in 2008 to $1.1 million in 2009. This decrease was primarily due to less interest income, which decreased by $8.2 million as a result of lower average interest rates and a lower average investment balance during 2009.

Interest expense increased by $3.3 million, from $4.2 million in 2008 to $7.5 million in 2009. This increase was attributable to a temporary increase in borrowing under our revolving credit facility during 2009 and an increase in transportation equipment financing.

The provision for income taxes increased by $12.8 million, from $55.3 million in 2008 to $68.1 million in 2009, due primarily to the increase in pretax income. The effective tax rate for 2009 was 33.2% as compared to 37.6% in 2008. The decrease in the tax rate is a result of a favorable variance in permanent tax liability differences from current and prior years. In 2008, the effective tax rate of 37.6% was applied to pretax income, excluding the goodwill impairment charge of $166.9 million which is not tax deductible.

Potential Impact of Current Economic Conditions

Current economic and financial market conditions in the United States and overseas, including severe disruptions in the credit markets, have had an adverse affect on our results of operations. If there is a prolonged economic recession or depression or if government efforts to stabilize and revitalize credit markets and financial institutions are not effective, current economic and financial market conditions could continue to adversely affect our results of operations in future periods. The current instability in the financial markets has made it difficult for certain of our customers, including state and local governments, to access the credit markets to obtain financing or refinancing, as the case may be, to fund new construction projects on satisfactory terms or at all. State and local governments also are facing significant budget shortfalls as a result of declining tax and other revenues, which may cause them to defer or cancel planned infrastructure projects. This situation has contributed to lower revenues in 2010 and 2009. We may encounter increased levels of deferrals and delays related to new construction projects in the future. Difficulty in obtaining adequate financing due to the unprecedented disruption in the credit markets may increase the rate at which our customers defer, delay or cancel proposed new construction projects. Such deferrals, delays or cancellations could have an adverse impact on our future operating results.

Liquidity and Capital Resources

Cash and Working Capital

On October 20, 2010, we completed a private placement offering of $300 million in aggregate principal amount of 7.625% senior unsecured notes (the "Notes"), due November 1, 2018 to several initial purchasers. The Notes were priced at 99.258% of par, resulting in a yield to maturity of 7.75%. The private placement of the Notes resulted in net proceeds of approximately $297.8 million to the Company after deducting debt discount of $2.2 million. The Notes mature on November 1, 2018, and bear interest at a rate of 7.625% per annum, payable semi-annually in cash in arrears on May 1, and November 1 of each year, beginning on May 1, 2011. The Notes are senior unsecured obligations of the Company and are guaranteed by substantially all of our existing and future subsidiaries that guarantee obligations under our Amended Credit Agreement. We intend to use the net proceeds from the offering of the Notes for general corporate purposes, including acquisitions such as Fisk Electric and Superior Gunite, and stock repurchases.

On September 8, 2008, we entered into a Third Amended and Restated Credit Agreement (the "Credit Agreement") with Bank of America, as Agent, which was amended by a Joinder Agreement dated February 13, 2009; by a First Amendment dated as of February 23, 2009; by a Second Amendment dated January 13, 2010; and by a Third Amendment dated October 4, 2010 (collectively the "Amended Credit Agreement"). For a description of the material terms of the Amended Credit Agreement, see Note 4 of Notes to Consolidated Financial Statements. The Amended Credit Agreement allows us to borrow up to $205 million on a revolving credit basis (the "Revolving Facility"), with a $50 million sublimit for letters of credit, and an additional $99.6 million at December 31, 2010 under a supplementary facility to the extent that the $205 million Revolving Facility has been fully drawn (the "Supplemental Facility"). The Amended Credit Agreement provides that the Supplemental Facility shall be reduced by the amount of any reduction in the principal amount of certain auction rate securities presently held by us. This Supplemental Facility provides us with access to a source of liquidity should the need arise. Subject to certain conditions, we have the option to increase the Revolving Facility by up to an additional $45 million. We borrowed under the Revolving Facilities during a brief period in 2009 and did not utilize the Revolving Facility during either 2010 or 2008, other than for letters of credit. There are no borrowings outstanding at December 31, 2010 and, accordingly we have $304.5 million available to borrow under the Amended Credit Agreement and the Supplemental Facility, including outstanding letters of credit.

Cash and cash equivalents consist of amounts held by us as well as our proportionate share of amounts held by construction joint ventures. Cash held by us is available for general corporate purposes, while cash held by construction joint ventures is available only for joint venture-related uses. Joint venture cash and cash equivalents are not restricted to specific uses within those entities; however, the terms of the joint venture agreements limit our ability to distribute those funds and use them for corporate purposes. Cash held by construction joint ventures is distributed from time to time to us and to the other joint venture participants in accordance with our respective percentage interest after the joint venture partners determine that a cash distribution is prudent. Cash distributions received by us from our construction joint ventures are then available for general corporate purposes. At December 31, 2010 and December 31, 2009, cash held by us and available for general corporate purposes was $455.5 and $323.9 million, respectively, and our proportionate share of cash held by joint ventures and available only for joint venture-related uses was $15.9 million and $24.4 million, respectively.

Billing procedures in the construction industry generally are based on the specific billing terms of a contract. For example, billings may be based on various measures of performance, such as cubic yards excavated, architect's estimates of completion, costs incurred on cost-plus type contracts or weighted progress from a cost loaded construction time schedule. Billings are generally on a monthly basis and are reviewed and approved by the customer prior to submission. Therefore, once a bill is submitted, we are generally able to collect amounts owed to us in accordance with the payment terms of the contract. In addition, receivables of a contractor usually include retentions, or amounts that are held back until contracts are completed or until specified contract conditions or guarantees are met. Retentions are governed by contract provisions and are typically a fixed percentage (for example, 5% or 10%) of each billing. We generally follow the policy of paying our vendors and subcontractors after we receive payment from our customer.

A summary of cash flows for each of the years ended December 31, 2010, 2009 and 2008 is set forth below:

	Year Ended December 31,		
	2010	2009	2008
		(In millions)	
Cash flows provided (used) by:			
Operating activities	$ 26.3	$ (26.1)	$ 126.1
Investing activities	(77.5)	(40.9)	(72.1)
Financing activities	174.3	29.1	(127.0)
Net (decrease) increase in cash	123.1	(37.9)	(73.0)
Cash at beginning of year	348.3	386.2	459.2
Cash at end of year	$ 471.4	$ 348.3	$ 386.2

During 2010, we generated $26.3 million in cash from operating activities. The increase in cash flow from operating activities is primarily due to an increase in operating cash flow from our civil segment which more than offset a decrease in operating cash flow from our building segment resulting from the timing of receivable collections on certain large projects, including receivables on the CityCenter project. We used $77.5 million in cash to fund investing activities, including $30.9 million to fund the acquisition of Superior Gunite; $6.7 million to fund the deferred purchase price of certain acquisitions made in prior years; $25.2 million to purchase construction equipment; and $23.6 million for restricted cash to secure insurance-related contingent obligations, such as insurance claim deductibles, in lieu of utilizing letters of credit. We received $174.3 million from financing activities which primarily reflects proceeds of $297.8 million received in conjunction with our issuance of the Notes, net of the debt discount. Cash flow used for financing activities also includes $47.1 million for the payment of a special dividend on our common stock; $39.4 million for the repurchase of shares of our common stock in accordance with our previously announced share repurchase program; a net reduction in debt of $29.0 million; and $7.9 million for costs primarily associated with our issuance of the Notes.

During 2009, we used $26.1 million in cash flow from operating activities. The negative cash flow from operating activities is primarily due to the timing of receivables on certain large projects. We used $40.9 million in cash to fund investing activities, principally the purchase of property used in our building and management services segments, equipment to be used in our civil segment, and $44.8 million to fund the acquisition of Keating. We received $29.1 million in cash from financing activities, principally from a $35 million note collateralized by transportation equipment owned by us and two notes totaling $9.7 million to finance property acquisitions in Guam. Our cash balance decreased by $37.9 million during 2009 due to the use of cash in our operating and investing activities, which was primarily driven by an uncollected contract receivable related to the Fontainebleau project, as discussed in Note 8 of Notes to Consolidated Financial Statements, and timing related billings due to the start up of new projects and the cash disbursements associated with projects completing during the year.

During 2008, we generated $126.1 million in cash flow from operating activities. The positive cash flow from operating activities is primarily due to the substantial increase in our building segment revenues as well as favorable operating results in our civil and management services segments. We used $72.1 million in cash to fund investing activities, principally the purchase of auction rate securities, transportation and construction equipment to be used primarily in our civil construction operations, net of a $92.1 million cash balance recorded in connection with the merger with Tutor-Saliba because the consideration paid in the merger was equity and not cash. We used $127.0 million in cash to fund financing activities, principally $58.5 million for the repayment of shareholder notes payable assumed in the merger with Tutor-Saliba; $38.7 million for the repayment of debt; and $31.8 million for the purchase of common stock in connection with our common stock repurchase program which was instituted in November 2008. The debt repayments include $28.8 million of debt assumed in conjunction with the merger with Tutor-Saliba. Due to the use of cash for investing and financing activities, our cash balance decreased by $73.0 million during 2008.

Working capital increased, from $225.0 million at the end of 2008 to $592.9 million at December 31, 2010. The increase in working capital over the two-year period primarily reflects the cash proceeds received from the issuance of the Notes. Accordingly, the current ratio increased from 1.13x at December 31, 2008 to 1.61x at December 31, 2010.

Long-term Investments

At December 31, 2010, we had investments in auction rate securities of $88.1 million, which are reflected at fair value. These investments are considered to be "available for sale", and are classified as long-term investments. Our investment policy is to manage our assets to achieve our goals of preserving principal, maintaining adequate liquidity at all times, and maximizing returns subject to our investment guidelines. The current overall liquidity concerns in capital markets have affected our ability to liquidate many of our investments in auction rate securities. Based on our ability to access our cash equivalent investments, our available credit facilities, and the $297.8 million in proceeds received from our offering of senior unsecured notes completed in October 2010, we do not expect the short-term lack of liquidity to affect our overall liquidity position or our ability to execute our current business plan. For a description of our accounting for auction rate securities, see Note 2 of Notes to Consolidated Financial Statements.

We hold a variety of interest bearing auction rate securities, the majority of which are rated AAA or AA, that generally represent interests in pools of either interest bearing student loans or municipal bond issues. These auction rate securities provide liquidity via an auction process that resets the applicable interest rate at predetermined intervals, typically every 7 or 28 days. In the event that such auctions are unsuccessful, the holder of the securities is not able to access these funds until a future auction of these investments is successful. An unsuccessful auction results in a lack of liquidity in the securities but does not signify a default by the issuer. Upon an unsuccessful auction, the interest rates do not reset at a market rate but instead reset based upon a formula contained in the security, which rate is generally higher than the current market rate. During the first quarter of 2008, we made substantial additional investments in auction rate securities. Since mid-February 2008, regularly scheduled auctions for these securities started to fail throughout the market at a significant rate. Since that time, we have been successful in liquidating at par value a significant portion of our investment in auction rate securities. During 2010, we determined that an impairment charge was appropriate and, accordingly, we recognized a $5.7 million impairment charge, which was deemed to be other-than-temporary, thereby resulting in a charge to income. During 2009, we determined that the carrying value of our auction rate securities reflected fair value and therefore did not recognize any impairment charge. During 2008, we determined that an impairment charge was appropriate and, accordingly, we recognized a $5.8 million impairment charge in 2008. Of the total $5.8 million impairment charge recorded, $2.6 million was deemed to be other-than-temporary, thereby resulting in a charge to income. The $3.2 million balance of the impairment charge was deemed to be temporary, thereby resulting in a charge to stockholders' equity.

Off-Balance Sheet Arrangements

We do not have any financial partnerships with unconsolidated entities, such as entities often referred to as structured finance, special purpose entities or variable interest entities which are often established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. Accordingly, we are not exposed to any financing, liquidity, market or credit risk that could arise if we had such relationships.

Long-term Debt

Long-term debt, excluding current maturities of $21.3 million, was $374.4 million at December 31, 2010, an increase of $289.6 million from December 31, 2009, due primarily to the issuance of the Notes. The remaining balance of our outstanding debt is generally secured by the underlying assets. Approximately $366.1 million of the $395.7 million in total debt outstanding at December 31, 2010 carries interest at a fixed rate. As a result of the issuance of the Notes due in 2018, the long-term debt to equity ratio increased to .29x at December 31, 2010, as compared to .07x at December 31, 2009.

Contractual Obligations

Our outstanding contractual obligations as of December 31, 2010 are summarized in the following table:

	Payments Due by Period (In thousands)				
	Total	Less Than 1 Year	1-3 Years	3-5 Years	More Than 5 Years
Total debt, excluding interest	$ 395,684	$ 21,334	$ 19,525	$ 48,368	$ 306,457
Interest payments on debt	198,676	27,723	51,942	47,836	71,175
Operating leases, net	41,462	9,048	14,223	11,881	6,310
Purchase obligations	4,586	3,678	368	360	180
Acquisition related liabilities	8,733	2,566	4,967	1,200	-
Unfunded pension liability	26,444	4,211	10,949	10,949	335
Total contractual obligations	$ 675,585	$ 68,560	$ 101,974	$ 120,594	$ 384,457

Stockholders' Equity

Our book value per common share was $27.88 at December 31, 2010, compared to $26.54 at December 31, 2009, and $23.56 at December 31, 2008. The major factors impacting stockholders' equity during the three year period were the 23.0 million shares issued in conjunction with the merger with Tutor-Saliba in 2008; the net income (loss) recorded in all three years; the annual amortization of restricted stock compensation expense; common stock options exercised; the excess income tax benefit attributable to stock-based compensation; the repurchase of our common stock in 2008 and 2010 in conjunction with our share repurchase program; and the declaration of a special dividend on our common stock in 2010. Also, we were required to adjust our accrued pension liability by an increase of $4.9 million in 2010, a decrease of $2.0 million in 2009, and an increase of $24.0 million in 2008, respectively, and a cumulative increase of $17.5 million in prior years, with the offset to accumulated other comprehensive loss which resulted in an aggregate $44.4 million pretax accumulated other comprehensive loss reduction in stockholders' equity at December 31, 2010 (see Note 7 of Notes to Consolidated Financial Statements.) Adjustments to the amount of this accrued pension liability will be recorded in future years based upon periodic re-evaluation of the funded status of our pension plans.

Dividends

On October 25, 2010, our Board of Directors declared a special dividend of $1.00 per share of common stock. The dividend was paid on November 12, 2010 to stockholders of record on November 4, 2010. There were no other cash dividends declared or paid on our outstanding common stock during the three years ended December 31, 2010.

Related Party Transactions

We are subject to certain related party transactions with our Chairman and Chief Executive Officer, Ronald N. Tutor, and the Vice Chairman of O&G Industries, Inc., one of our directors. For a more detailed description of these transactions and their effect on our financial statements, see Note 13 of Notes to Consolidated Financial Statements entitled "Related Party Transactions" in Part IV, Item 15 of this report.

New Accounting Pronouncements

In January 2010, the Financial Accounting Standards Board (the "FASB") issued a staff position amending existing guidance for fair value measurements and disclosures in both interim and annual financial statements. This update requires new disclosures on significant transfers of assets and liabilities between Level 1 and Level 2 of the fair value hierarchy (including the reasons for these transfers) and the reasons for any transfers in or out of Level 3. It also requires a reconciliation of recurring Level 3 measurements and clarifies certain existing disclosure requirements for reporting fair value disaggregated by class of assets and liabilities rather than each major category of assets and liabilities. This update was effective for us with the interim and annual reporting period beginning January 1, 2010, except for the requirement to provide the Level 3 activity of purchases, sales, issuances, and settlements on a gross basis, which will become effective for us with the interim and annual reporting period beginning January 1, 2011. We will not be required to provide the amended disclosures for any previous periods presented for comparative purposes. Other than requiring additional disclosures, adoption of this update has not and will not have a material effect on our consolidated financial statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our exposure to market risk for changes in interest rates relates primarily to borrowings under our credit agreement and our short-term and long-term investment portfolios. Our revolving credit agreement is available for us to borrow, when needed, for general corporate purposes, including working capital requirements and capital expenditures. Borrowings under our credit agreement bear interest at the applicable LIBOR or base rate, as defined, and therefore we are subject to fluctuations in interest rates. We did not borrow under our revolving credit facilities during 2010. Our outstanding debt at December 31, 2010 totaled $395.7 million, of which approximately $366.1 million carries interest at a fixed rate. Accordingly, we do not believe our liquidity or our operations are subject to significant market risk for changes in interest rates.

We hold a variety of interest bearing auction rate securities, the majority of which are rated AAA or AA, that generally represent interests in pools of either interest bearing student loans or municipal bond issues. These auction rate securities provide liquidity via an auction process that resets the applicable interest rate at predetermined intervals, typically every 7 or 28 days. In the event that such auctions are unsuccessful, the holder of the securities is not able to access these funds until a future auction of these investments is successful. An unsuccessful auction results in a lack of liquidity in the securities but does not signify a default by the issuer. Upon an unsuccessful auction, the interest rates do not reset at a market rate but instead reset based upon a formula contained in the security, which rate is generally higher than the current market rate. Since mid-February 2008, regularly scheduled auctions for these securities started to fail throughout the market at a significant rate. Since that time, we have been successful in liquidating at par value a significant portion of our investment in auction rate securities. At December 31, 2010, we had investments in auction rate securities of $88.1 million which are reflected at fair value after cumulative net fair value adjustments of $11.5 million. These investments are considered to be "available-for-sale" and are classified as long-term investments. Our investment policy is to manage our assets to achieve our goals of preserving principal, maintaining adequate liquidity at all times, and maximizing returns subject to our investment guidelines. The current overall liquidity concerns in capital markets have affected our ability to liquidate many of our investments in auction rate securities. Based on our ability to access our cash equivalent investments, our available Revolving Facility and our Supplemental Facility discussed above, and the $297.8 million in net proceeds received from our issuance of the Notes in October 2010, we do not expect that the short-term lack of liquidity of our auction rate security investments will materially affect our overall liquidity position or our ability to execute our current business plan.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The Report of Independent Registered Public Accounting Firm, Consolidated Financial Statements, and Supplementary Schedules are set forth in Item 15 in this report and are hereby incorporated in this Item 8 by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures – As required by Rule 13a-15(b) under the Securities Exchange Act of 1934, as of December 31, 2010, we carried out an evaluation under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. In designing and evaluating our disclosure controls and procedures, we recognize that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management necessarily was required to apply its judgment in evaluating and implementing possible controls and procedures. The effectiveness of our disclosure controls and procedures is necessarily limited by the staff and other resources available to us and, although we have designed our disclosure controls and procedures to address the geographic diversity of our operations, this diversity inherently may limit the effectiveness of those controls and procedures. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 2010, our disclosure controls and procedures were effective, in that they provide reasonable assurance that information required to be disclosed by us in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and include controls and procedures designed to ensure that information we are required to disclose in such reports is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

Changes in Internal Control Over Financial Reporting - There was no change in our internal control over financial reporting that occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

In connection with Rule 13a-15(b) under the Securities Exchange Act of 1934, we will continue to review and assess the adequacy of our disclosure controls and procedures, including our internal control over financial reporting, and may from time to time make changes aimed at enhancing their effectiveness and to ensure that our systems evolve with our business.

Management's Report On Internal Control Over Financial Reporting - Our management, under the supervision of our Chief Executive Officer and Chief Financial Officer, is responsible for establishing and maintaining an adequate system of internal control over financial reporting as such term is defined in Exchange Act Rules 13a – 15(f). Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with accounting principles generally accepted in the United States of America. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. In making this assessment, management utilized the criteria set forth by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission in *Internal Control – Integrated Framework*. Based on this assessment, management concluded that, as of December 31, 2010 our internal control over financial reporting is effective based on those criteria.

Deloitte & Touche, LLP, the independent registered public accounting firm that audited our consolidated financial statements included in this Annual Report on Form 10-K, has issued an attestation report on the Company's internal control over financial reporting as of December 31, 2010. The report, which expresses an unqualified opinion on the effectiveness of the Company's internal control over financial reporting as of December 31, 2010, is included below in Item 9A under the heading "Report of Independent Registered Public Accounting Firm."

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Tutor Perini Corporation
Sylmar, CA

We have audited the internal control over financial reporting of Tutor Perini Corporation and subsidiaries (the "Company") as of December 31, 2010, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2010, based on the criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements as of and for the year ended December 31, 2010 of the Company and our report dated March 4, 2011 expressed an unqualified opinion on those financial statements.

/s/ Deloitte & Touche, LLP

Los Angeles, California

March 4, 2011

ITEM 9B. OTHER INFORMATION

None.

PART III.

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information relating to our directors is set forth in the sections entitled "Election of Directors" and "Corporate Governance" in the definitive proxy statement in connection with our Annual Meeting of Stockholders to be held on May 25, 2011 (the "Proxy Statement"), which sections are incorporated herein by reference. Information relating to our executive officers is set forth in Part I of this report under the caption "Executive Officers of the Registrant" and is hereby incorporated herein by reference.

We are also required under Item 405 of Regulation S-K to provide information concerning delinquent filers of reports under Section 16 of the Securities and Exchange Act of 1934, as amended. This information is listed under the caption "Section 16(a) Beneficial Ownership Reporting Compliance" in the Proxy Statement to be filed with the Securities and Exchange Commission no later than 120 days after the end of our fiscal year. This information is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information appearing under the captions "Compensation Discussion and Analysis" and "Compensation Committee Report" in the Proxy Statement is hereby incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information appearing under the caption "Ownership of Common Stock By Directors, Executive Officers and Principal Stockholders" in the Proxy Statement is hereby incorporated herein by reference.

The information required by Item 201(d) of Regulation S-K is set forth under the caption "Compensation Discussion and Analysis" in the Proxy Statement and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information appearing under the captions "Certain Relationships and Related Party Transactions", "Director Independence" and "Corporate Governance" in the Proxy Statement is hereby incorporated herein by reference. For a detailed description of related party transactions, see Note 13 of Notes to Consolidated Financial Statements entitled "Related Party Transactions" in Part IV, Item 15 of this report.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information appearing under the caption "Fees Paid to Audit Firm" in the Proxy Statement is hereby incorporated herein by reference.

PART IV.

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

TUTOR PERINI CORPORATION AND SUBSIDIARIES

(a)1. The following consolidated financial statements and supplementary financial information are filed as part of this report:

Consolidated Financial Statements of the Registrant	**Pages**
Consolidated Balance Sheets as of December 31, 2010 and 2009	52 – 53
Consolidated Statements of Operations for the years ended December 31, 2010, 2009 and 2008	54
Consolidated Statements of Stockholders' Equity for the years ended December 31, 2010, 2009 and 2008	55
Consolidated Statements of Cash Flows for the years ended December 31, 2010, 2009 and 2008	56 – 57
Notes to Consolidated Financial Statements	58 – 101
Report of Independent Registered Public Accounting Firm	102

(a)2. All consolidated financial statement schedules are omitted because of the absence of the conditions under which they are required or because the required information is included in the Consolidated Financial Statements or in the Notes thereto.

(a)3. Exhibits

The exhibits which are filed with this report or which are incorporated herein by reference are set forth in the Exhibit Index which appears on pages 103 through 105.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Tutor Perini Corporation
(Registrant)

Dated: March 4, 2011

By: */s/Robert Band*
Robert Band
President

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Company and in the capacities and on the dates indicated.

Signature	Title	Date
• Principal Executive Officer Ronald N. Tutor	Chairman and Chief Executive Officer	March 4, 2011
By: */s/Ronald N. Tutor* Ronald N. Tutor		
• Principal Financial Officer Kenneth R. Burk	Executive Vice President and Chief Financial Officer	March 4, 2011
By: */s/Kenneth R. Burk* Kenneth R. Burk		
• Principal Accounting Officer Steven M. Meilicke	Vice President and Controller	March 4, 2011
By: */s/Steven M. Meilicke* Steven M. Meilicke		

• Directors

Ronald N. Tutor	)
Marilyn A. Alexander	)
Peter Arkley	)
Robert Band	)
Willard W. Brittain, Jr	) */s/Robert Band*
Michael R. Klein	) Robert Band
Robert L. Miller	) Attorney in Fact
Raymond R. Oneglia	)
Donald D. Snyder	) Dated: March 4, 2011

Tutor Perini Corporation and Subsidiaries
Consolidated Balance Sheets
December 31, 2010 and 2009

(In thousands, except share data)

Assets

		2010		2009
CURRENT ASSETS:				
Cash, including cash equivalents of $127,879 and $294,807	$	471,378	$	348,309
Restricted cash		23,550		-
Accounts receivable, including retainage of $271,778 and $544,875		880,614		1,088,386
Costs and estimated earnings in excess of billings		139,449		145,678
Deferred tax asset		3,737		1,370
Other current assets		42,314		30,811
Total current assets		1,561,042		1,614,554
LONG-TERM INVESTMENTS		88,129		101,201
PROPERTY AND EQUIPMENT, at cost:				
Land		36,048		33,114
Buildings and improvements		89,281		85,830
Construction equipment		205,038		184,579
Other equipment		112,012		112,554
		442,379		416,077
Less – Accumulated depreciation		79,942		67,256
Total property and equipment, net		362,437		348,821
GOODWILL		621,920		602,471
INTANGIBLE ASSETS, NET		132,551		134,327
OTHER ASSETS		13,141		19,280
	$	2,779,220	$	2,820,654

The accompanying notes are an integral part of these consolidated financial statements.

Tutor Perini Corporation and Subsidiaries
Consolidated Balance Sheets (continued)
December 31, 2010 and 2009

(In thousands, except share data)

Liabilities and Stockholders' Equity

	2010	2009
CURRENT LIABILITIES:		
Current maturities of long-term debt	$ 21,334	$ 31,334
Accounts payable, including retainage of $280,867 and $396,928	653,542	990,551
Billings in excess of costs and estimated earnings	199,750	187,714
Accrued expenses	93,488	101,837
Total current liabilities	968,114	1,311,436
LONG-TERM DEBT, less current maturities included above	374,350	84,771
DEFERRED INCOME TAXES	79,082	78,977
OTHER LONG-TERM LIABILITIES	44,680	57,044
CONTINGENCIES AND COMMITMENTS (Note 8)		
STOCKHOLDERS' EQUITY:		
Common stock, $1 par value:		
Authorized – 75,000,000 shares		
Issued and outstanding – 47,089,593 shares and 48,538,982 shares	47,090	48,539
Additional paid-in capital	985,413	1,012,983
Retained earnings	316,531	260,121
Accumulated other comprehensive loss	(36,040)	(33,217)
Total stockholders' equity	1,312,994	1,288,426
	$ 2,779,220	$ 2,820,654

The accompanying notes are an integral part of these consolidated financial statements.

Tutor Perini Corporation and Subsidiaries
Consolidated Statements of Operations
For the Years Ended December 31, 2010, 2009 and 2008

(In thousands, except per share data)

	2010	2009	2008
Revenues	$ 3,199,210	$ 5,151,966	$ 5,660,286
Cost of Operations	2,861,362	4,763,919	5,327,056
Gross Profit	337,848	388,047	333,230
General and Administrative Expenses	165,536	176,504	133,998
Goodwill and Intangible Asset Impairment	-	-	224,478
INCOME (LOSS) FROM CONSTRUCTION OPERATIONS	172,312	211,543	(25,246)
Other Income (Expense), Net	(2,280)	1,098	9,559
Interest Expense	(10,564)	(7,501)	(4,163)
Income (Loss) before Income Taxes	159,468	205,140	(19,850)
Provision for Income Taxes	(55,968)	(68,079)	(55,290)
NET INCOME (LOSS)	**$ 103,500**	**$ 137,061**	**$ (75,140)**
BASIC EARNINGS (LOSS) PER COMMON SHARE	**$ 2.15**	**$ 2.82**	**$ (2.19)**
DILUTED EARNINGS (LOSS) PER COMMON SHARE	**$ 2.13**	**$ 2.79**	**$ (2.19)**
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:			
BASIC	48,111	48,525	34,272
Effect of Dilutive Stock Options and Restricted Stock Units	538	559	-
DILUTED	48,649	49,084	34,272

The accompanying notes are an integral part of these consolidated financial statements.

Tutor Perini Corporation and Subsidiaries
Consolidated Statements of Stockholders' Equity
For the Years Ended December 31, 2010, 2009 and 2008

(In thousands)

	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Total
Balance - December 31, 2007	**$ 26,987**	**$ 160,664**	**$ 198,200**	**$ (17,517)**	**$ 368,334**
Net Loss	-	-	(75,140)	-	(75,140)
Other comprehensive loss:					
Change in pension benefit plans (net of tax benefit of $9,067)	-	-	-	(14,922)	(14,922)
Change in fair value of investments (net of tax benefit of $1,219)	-	-	-	(2,005)	(2,005)
Foreign currency translation	-	-	-	(101)	(101)
Total comprehensive loss					(92,168)
Common Stock issued in acquisition of Tutor-Saliba Corporation	22,987	858,476	-	-	881,463
Common Stock purchased under share repurchase program	(2,004)	(29,793)	-	-	(31,797)
Excess income tax benefit from stock-based compensation	-	533	-	-	533
Stock-based compensation expense	-	12,145	-	-	12,145
Issuance of Common Stock, net	349	(633)	-	-	(284)
Balance - December 31, 2008	**$ 48,319**	**$ 1,001,392**	**$ 123,060**	**$ (34,545)**	**$ 1,138,226**
Net Income	-	-	137,061	-	137,061
Other comprehensive income:					
Change in pension benefit plans (net of tax expense of $792)	-	-	-	1,221	1,221
Foreign currency translation	-	-	-	107	107
Total comprehensive income					138,389
Tax effect of stock-based compensation	-	(824)	-	-	(824)
Stock-based compensation expense	-	12,462	-	-	12,462
Issuance of Common Stock, net	220	(47)	-	-	173
Balance - December 31, 2009	**$ 48,539**	**$ 1,012,983**	**$ 260,121**	**$ (33,217)**	**$ 1,288,426**
Net Income	-	-	103,500	-	103,500
Other comprehensive income:					
Change in pension benefit plans (net of tax benefit of $1,891)	-	-	-	(3,053)	(3,053)
Foreign currency translation	-	-	-	230	230
Total comprehensive income					100,677
Common Stock purchased under share repurchase program	(2,165)	(37,226)	-	-	(39,391)
Common Stock dividend declared ($1.00 per share)	-	-	(47,090)	-	(47,090)
Tax effect of stock-based compensation	-	(2,055)	-	-	(2,055)
Stock-based compensation expense	-	12,752	-	-	12,752
Issuance of Common Stock, net	716	(1,041)	-	-	(325)
Balance - December 31, 2010	**$ 47,090**	**$ 985,413**	**$ 316,531**	**$ (36,040)**	**$ 1,312,994**

The accompanying notes are an integral part of these consolidated financial statements.

Tutor Perini Corporation and Subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2010, 2009 and 2008

(In thousands)

	2010	2009	2008
Cash Flows from Operating Activities:			
Net income (loss)	$ 103,500	$ 137,061	$ (75,140)
Adjustments to reconcile net income (loss) to net cash from operating activities:			
Goodwill and intangible asset impairment	-	-	224,478
Depreciation	21,380	21,292	12,345
Amortization of intangible assets and debt issuance costs	9,954	17,215	15,251
Stock-based compensation expense	12,752	12,462	12,145
Adjustment of investments to fair value	5,742	(39)	2,721
Excess income tax benefit from stock-based compensation	(218)	(28)	(533)
Deferred income taxes	(3,826)	(10,541)	(7,984)
Loss (gain) on sale of assets	1,274	964	(1,068)
Other assets	(86)	-	-
Other long-term liabilities	(4,623)	(36,284)	7,581
Cash from changes in other components of working capital:			
(Increase) decrease in:			
Accounts receivable	(22,054)	363,076	(125,064)
Costs and estimated earnings in excess of billings	7,144	(29,798)	(12,032)
Other current assets	(4,690)	(11,017)	(3,936)
Increase (decrease) in:			
Accounts payable	(101,143)	(449,370)	125,736
Billings in excess of costs and estimated earnings	11,957	(8,928)	(36,844)
Accrued expenses	(10,791)	(32,112)	(11,602)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	26,272	(26,047)	126,054
Cash Flows from Investing Activities:			
Acquisition of Superior Gunite, net of cash balance acquired	(30,924)	-	-
Acquisition of Keating Building Company, net of cash balance acquired	-	(6,900)	-
Business acquisition related payments	(6,734)	-	-
Cash balance recorded in merger with Tutor-Saliba Corporation, net of transaction costs	-	-	92,081
Acquisition of property and equipment	(25,200)	(37,005)	(66,767)
Proceeds from sale of property and equipment	1,811	1,873	6,697
Sales of land, net	-	203	(774)
Investment in available-for-sale securities	-	-	(218,325)
Proceeds from sale of available-for-sale securities	7,066	3,641	115,856
Change in Restricted Cash	(23,550)	-	-
Investment in other activities	-	(2,698)	(840)
NET CASH USED BY INVESTING ACTIVITIES	(77,531)	(40,886)	(72,072)

Tutor Perini Corporation and Subsidiaries
Consolidated Statements of Cash Flows (continued)
For the Years Ended December 31, 2010, 2009 and 2008

(In thousands)

	2010	2009	2008
Cash Flows from Financing Activities:			
Proceeds from issuance of senior unsecured notes, net of debt discount	$ 297,774	$ -	$ -
Proceeds from other long-term debt	6,803	180,182	2,213
Repayment of other long-term debt	(35,760)	(150,625)	(38,696)
Repayment of shareholder notes payable	-	-	(58,485)
Purchase of common stock under share repurchase program	(39,391)	-	(31,797)
Common stock dividend paid	(47,090)	-	-
Excess income tax benefit from stock-based compensation	218	28	533
Issuance of common stock and effect of cashless exercise	(325)	173	(284)
Debt issuance costs	(7,901)	(688)	(482)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	174,328	29,070	(126,998)
Net (Decrease) Increase in Cash and Cash Equivalents	123,069	(37,863)	(73,016)
Cash and Cash Equivalents at Beginning of Year	348,309	386,172	459,188
Cash and Cash Equivalents at End of Year	$ 471,378	$ 348,309	$ 386,172
Supplemental Disclosure of Cash Paid During the Year For:			
Interest	$ 6,151	$ 7,804	$ 3,693
Income taxes	$ 48,421	$ 83,747	$ 79,270
Supplemental Disclosure of Non-Cash Transactions:			
Grant date fair value of common stock issued for services	$ 19,673	$ 7,411	$ 12,651
Assets acquired through financing arrangements	$ 10,784	$ 5,734	$ 27,441
Common stock issued in merger with Tutor-Saliba Corporation	$ -	$ -	$ 881,463

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2010, 2009 and 2008

[1] Summary of Significant Accounting Policies

(a) Nature of Business
Tutor Perini Corporation, formerly known as Perini Corporation, was incorporated in 1918 as a successor to businesses which had been engaged in providing construction services since 1894. Tutor Perini Corporation and its wholly owned subsidiaries (the "Company") provide diversified general contracting, construction management and design-build services to private clients and public agencies throughout the world. The Company's construction business is conducted through three basic segments or operations: civil, building and management services. The civil segment focuses on public works construction primarily in the western, northeastern and mid-Atlantic United States including the repair, replacement and reconstruction of the public infrastructure such as highways, bridges, mass transit systems and wastewater treatment facilities. The building segment focuses on large, complex projects in the hospitality and gaming, transportation, healthcare, municipal offices, sports and entertainment, education, correctional facilities, biotech, pharmaceutical and high-tech markets, and electrical and mechanical, plumbing and HVAC services to both government and private non-residential customers. The management services segment provides diversified construction, design-build and maintenance services to the U.S. military and government agencies as well as surety companies and multi-national corporations in the United States and overseas.

The Company offers general contracting, pre-construction planning and comprehensive project management services, including planning and scheduling of the manpower, equipment, materials and subcontractors required for the timely completion of a project in accordance with the terms and specifications contained in a construction contract. The Company also offers self-performed construction services, including site work, concrete forming and placement, steel erection, electrical and mechanical, plumbing and HVAC. The Company provides these services by using traditional general contracting arrangements, such as fixed price, guaranteed maximum price and cost plus fee contracts and construction management or design-build contracting arrangements.

In an effort to leverage the Company's expertise and limit its financial and/or operational risk on certain large or complex projects, the Company participates in construction joint ventures, often as the sponsor or manager of the project, for the purpose of bidding and, if awarded, providing the agreed upon construction services. Each participant usually agrees in advance to provide a predetermined percentage of capital, as required, and to share in the same percentage of profit or loss of the project.

(b) Principles of Consolidation
The consolidated financial statements include the accounts of Tutor Perini Corporation and its wholly owned subsidiaries. The Company's interests in construction joint ventures are accounted for using the proportionate consolidation method whereby the Company's proportionate share of each joint venture's assets, liabilities, revenues and cost of operations are included in the appropriate classifications in the consolidated financial statements. All intercompany transactions and balances have been eliminated in consolidation.

(c) Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company's construction business involves making significant estimates and assumptions in the normal course of business relating to its contracts and joint venture contracts due to, among other things, the one-of-a-kind nature of most of its projects, the long-term duration of a contract cycle and the type of contract utilized. The most significant estimates with regard to these financial statements relate to the estimating of total forecasted construction contract revenues, costs and profits in accordance with accounting for long-term contracts (see Note 1(d) below) and estimating potential liabilities in conjunction with certain contingencies, including the outcome of pending or future litigation, arbitration or other dispute resolution proceedings relating to contract claims (see Note 8 below). Actual results could differ in the near term from these estimates and such differences could be material.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2010, 2009 and 2008
(Continued)

[1] Summary of Significant Accounting Policies (continued)

(d) Method of Accounting for Contracts
Revenues and profits from the Company's contracts and construction joint venture contracts are recognized by applying percentages of completion for the period to the total estimated profits for the respective contracts. Percentage of completion is determined by relating the actual cost of the work performed to date to the current estimated total cost of the respective contracts. However, on construction management contracts, profit is generally recognized in accordance with the contract terms, usually on the as-billed method, which is generally consistent with the level of effort incurred over the contract period. When the estimate on a contract indicates a loss, the Company's policy is to record the entire loss during the accounting period in which it is estimable. In the ordinary course of business, at a minimum on a quarterly basis, the Company prepares updated estimates of the total forecasted revenue, cost and profit or loss for each contract. The cumulative effect of revisions in estimates of the total forecasted revenue and costs, including unapproved change orders and claims, during the course of the work is reflected in the accounting period in which the facts that caused the revision become known. The financial impact of these revisions to any one contract is a function of both the amount of the revision and the percentage of completion of the contract. An amount equal to the costs incurred which are attributable to unapproved change orders and claims is included in the total estimated revenue when realization is probable. Profit from unapproved change orders and claims is recorded in the period such amounts are resolved.

In accordance with normal practice in the construction industry, the Company includes in current assets and current liabilities amounts related to construction contracts realizable and payable over a period in excess of one year. Billings in excess of costs and estimated earnings represents the excess of contract billings to date over the amount of contract costs and profits (or contract revenue) recognized to date on the percentage of completion accounting method on certain contracts. Costs and estimated earnings in excess of billings represents the excess of contract costs and profits (or contract revenue) recognized to date on the percentage of completion accounting method over the amount of contract billings to date on the remaining contracts. Costs and estimated earnings in excess of billings results when (1) the appropriate contract revenue amount has been recognized in accordance with the percentage of completion accounting method, but a portion of the revenue recorded cannot be billed currently due to the billing terms defined in the contract and/or (2) costs, recorded at estimated realizable value, related to unapproved change orders or claims are incurred. Costs and estimated earnings in excess of billings related to the Company's contracts and joint venture contracts at December 31, 2010 and 2009, consisted of the following (in thousands):

	2010	2009
Unbilled costs and profits incurred to date*	$ 14,285	$ 44,637
Unapproved change orders	49,949	32,683
Claims	75,215	68,358
	$ 139,449	$ 145,678

* Represents the excess of contract costs and profits recognized to date on the percentage of completion accounting method over the amount of contract billings to date on certain contracts.

Of the balance of "Unapproved change orders" and "Claims" included above in costs and estimated earnings in excess of billings at December 31, 2010 and December 31, 2009, approximately $74.1 million and $62.7 million, respectively, are amounts subject to pending litigation or dispute resolution proceedings as described in Note 8. These amounts are management's estimate of the probable cost recovery from the disputed claims considering such factors as evaluation of entitlement, settlements reached to date and experience with the customer. In the event that future facts and circumstances, including the resolution of disputed claims, cause a reduction in the aggregate amount of the estimated probable cost recovery from the disputed claims, the amount of such reduction will be recorded against earnings in the relevant future period.

The prerequisite for billing "Unbilled costs and profits incurred to date" is provided in the defined billing terms of each of the applicable contracts. The prerequisite for billing "Unapproved change orders" or "Claims" is the final resolution and agreement between the parties. The amount of costs and estimated earnings in excess of billings at December 31, 2010 estimated by management to be collected beyond one year is approximately $53.8 million.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2010, 2009 and 2008
(Continued)

[1] Summary of Significant Accounting Policies (continued)

(e) Property and Equipment
Land, buildings and improvements, construction and computer-related equipment and other equipment are recorded at cost. Major renewals and betterments are capitalized and maintenance and repairs are charged to operations as incurred. Depreciation is calculated primarily using the straight-line method for all classifications of depreciable property. Construction equipment is depreciated over estimated useful lives ranging from five to twenty years after an allowance for salvage. The remaining depreciable property is depreciated over estimated useful lives ranging from three to forty years after an allowance for salvage.

(f) Long-Lived Assets
Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Recoverability is evaluated by comparing the carrying value of the assets to the undiscounted associated cash flows. When this comparison indicates that the carrying value of the asset is greater than the undiscounted cash flows, a loss is recognized for the difference between the carrying value and estimated fair value. Fair value is determined based either on market quotes or appropriate valuation techniques.

(g) Goodwill and Intangible Assets
Goodwill and intangible assets with indefinite lives are not being amortized. Intangible assets with finite lives are amortized over their useful lives. Construction contract backlog is amortized on a weighted average basis over the corresponding contract period. Customer relationships are amortized on a straight-line basis over their estimated useful lives. The Company evaluates intangible assets that are not being amortized at the end of each reporting period to determine whether events and circumstances continue to support an indefinite useful life. Intangible assets with finite lives are tested for impairment whenever events or circumstances indicate that the carrying value may not be recoverable.

The Company tests goodwill and intangible assets with indefinite lives for impairment by applying a fair value test in the fourth quarter of each year and between annual tests if events occur or circumstances change which suggest that the goodwill or intangible assets should be evaluated. The first step in the two step process is to compare the fair value of the reporting unit to its carrying value. If the carrying value of the reporting unit exceeds its fair value, a second step must be followed to calculate the goodwill impairment. The second step involves determining the fair value of the individual assets and liabilities of the reporting unit and calculating the implied fair value of goodwill. To determine the fair value of the Company and each of its reporting units, the Company primarily uses an income-based valuation approach, which is based on the cash flows that the reporting unit expects to generate in the future. This income valuation method requires management to project revenues, operating expenses, working capital investment, capital spending and cash flows for the reporting unit over a multi-year period, as well as determine the weighted-average cost of capital to be used as a discount rate. The Company also uses a market-based valuation approach to estimate the fair value of its reporting units by utilizing industry multiples of operating earnings. Impairment assessment inherently involves management judgments as to assumptions used to project these amounts and the impact of market conditions on those assumptions.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2010, 2009 and 2008
(Continued)

[1] Summary of Significant Accounting Policies (continued)

(g) Goodwill and Intangible Assets (continued)

An implied control premium for the Company is calculated based on the fair value and the market capitalization at the date of our fair value assessment. In evaluating whether our implied control premium is reasonable, the Company considers a number of factors including the following factors of greatest significance.

- *Market control premium*: The Company compares its implied control premium to the average control premium paid in transactions of companies in the construction industry during the year of evaluation.

- *Sensitivity analysis:* The Company performs a sensitivity analysis to determine the minimum control premium required to recover the book value of the Company at the testing date. The minimum control premium required is then compared to the average control premium paid in transactions of companies in the construction industry during the year of evaluation.

- *Impact of low public float and limited trading activity*: A significant portion of the Company's common stock is owned by the Company's Chairman and CEO. As a result, the public float of the Company's common stock, calculated as the percentage of shares of common stock freely traded by public investors divided by the Company's total shares outstanding, is significantly lower than that of the Company's publicly traded peers. This circumstance does not impact the fair value of the Company, however based on the Company's evaluation of third party market data, the Company believes it does lead to an inherent marketability discount impacting the Company's stock price.

On a quarterly basis we consider whether events or changes in circumstances indicate that assets, including goodwill and intangible assets not subject to amortization might be impaired. In conjunction with this analysis, we evaluate whether our current market capitalization is less than our stockholders' equity and specifically consider (1) the duration and severity of any decline in market capitalization, (2) a reconciliation of the implied control premium to a current market control premium, (3) target price assessments by third party analysts and (4) how current market conditions impact our forecast of future cash flows. We also update our assessment of the fair value of each of our reporting units, considering whether our current forecast of future cash flows are in line with those used in our most recent annual impairment assessment and whether there are any significant changes in trends or any other material assumption used. As of December 31, 2010 we have concluded that we do not have an impairment indicator and that the estimated fair value of each reporting unit substantially exceeds its carrying value.

(h) Income Taxes

Deferred income tax assets and liabilities are recognized for the effects of temporary differences between the financial statement carrying amounts and the income tax basis of assets and liabilities using tax rates expected to be in effect when such differences reverse. In addition, future tax benefits, such as non-deductible accrued expenses, are recognized to the extent such benefits are more likely than not to be realized as an economic benefit in the form of a reduction of income taxes in future years. The Company recognizes interest and penalties related to uncertain tax positions as a component of the income tax provision.

(i) Earnings (Loss) Per Common Share

Basic earnings (loss) per common share was computed by dividing net income (loss) by the weighted average number of common shares outstanding. Diluted earnings (loss) per common share was similarly computed after giving consideration to the dilutive effect of outstanding stock options and restricted stock units.

The computation of diluted income per common share excludes 435,000 stock options and 610,000 stock options at December 31, 2010 and 2009, respectively, because they would have an antidilutive effect. There were 841,500 antidilutive stock options and 1,797,501 antidilutive restricted stock units excluded from the computation of diluted loss per common share at December 31, 2008.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2010, 2009 and 2008
(Continued)

[1] Summary of Significant Accounting Policies (continued)

(j) Cash, Cash Equivalents and Restricted Cash
Cash equivalents include short-term, highly liquid investments with original maturities of three months or less when acquired.

Cash and cash equivalents as reported in the accompanying Consolidated Balance Sheets consist of amounts held by the Company that are available for general corporate purposes and the Company's proportionate share of amounts held by construction joint ventures that are available only for joint venture-related uses. Joint venture cash and cash equivalents are not restricted to specific uses within those entities; however, the terms of the joint venture agreements limit the ability to distribute those funds and use them for corporate purposes. Cash held by construction joint ventures is distributed from time to time to the Company and to the other joint venture participants in accordance with their percentage interest after the joint venture partners determine that a cash distribution is prudent. Cash distributions received by the Company from its construction joint ventures are then available for general corporate purposes.

At December 31, 2010 and 2009, cash and cash equivalents consisted of the following (in thousands):

	2010	2009
Corporate cash and cash equivalents (available for general corporate purposes)	$ 455,464	$ 323,867
Company's share of joint venture cash and cash equivalents (available only for joint venture purposes, including future distributions)	15,914	24,442
	$ 471,378	$ 348,309
Restricted Cash	$ 23,550	$ -

Restricted cash is held to secure insurance-related contingent obligations, such as insurance claim deductibles, in lieu of utilizing letters of credit.

(k) Long-term Investments
Investments, consisting of auction rate securities, are classified as available-for-sale securities based on the Company's intentions. Investments are recorded at cost with unrealized gains and temporary unrealized losses recorded in accumulated other comprehensive income (loss), net of applicable taxes. Upon realization, those amounts are reclassified from accumulated other comprehensive income (loss) to other income, net. Unrealized losses that are other than temporary and due to a decline in expected cash flows are charged against income.

(l) Stock-Based Compensation
Compensation expense is measured based on the fair value of the award on the date of grant and is recognized as expense on a straight-line basis (net of estimated forfeitures) over the requisite service period. For awards which have a performance component, compensation cost is recognized as achievement of the performance objective appears probable.

(m) Insurance Liabilities
The Company typically utilizes third party insurance coverage subject to varying deductible or self insurance levels with aggregate caps on losses retained. The Company assumes the risk for the amount of the self-insured deductible portion of the losses and liabilities primarily associated with workers' compensation and general liability coverage. In addition, on certain projects, the Company assumes the risk for the amount of the self-insured deductible portion of losses that arise from any subcontractor defaults. Losses are accrued based upon the Company's estimates of the aggregate liability for claims incurred using historical experience and certain actuarial assumptions followed in the insurance industry. The estimate of insurance liability within the self-insured deductible limits includes an estimate of incurred but not reported claims based on data compiled from historical experience.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2010, 2009 and 2008
(Continued)

[1] Summary of Significant Accounting Policies (continued)

(n) Accumulated Other Comprehensive Income (Loss)
Comprehensive income (loss) is a more inclusive financial reporting method that includes disclosure of financial information that historically has not been recognized in the calculation of net income. The Company reports comprehensive income (loss) and accumulated other comprehensive income (loss), which encompasses net income (loss), cumulative translation adjustments, adjustments related to recognition of minimum pension liabilities and unrecognized net actuarial losses on the Company's retirement benefit plans, and unrealized losses on investment in auction rate securities. The components of accumulated other comprehensive income (loss) are as follows (in thousands):

	Cumulative Translation Adjustment	Unamortized Benefit Plan Costs, Net of Tax	Unrealized Loss on Investment in Auction Rate Securities, Net of Tax	Accumulated Other Comprehensive Income (Loss)
Balance at December 31, 2007	$ -	$ (17,517)	$ -	$ (17,517)
Fiscal year change	(101)	(14,922)	(2,005)	(17,028)
Balance at December 31, 2008	(101)	(32,439)	(2,005)	(34,545)
Fiscal year change	107	1,221	-	1,328
Balance at December 31, 2009	6	(31,218)	(2,005)	(33,217)
Fiscal year change	230	(3,053)	-	(2,823)
Balance at December 31, 2010	$ 236	$ (34,271)	$ (2,005)	$ (36,040)

(o) Fair Value of Financial Instruments
The carrying amount of cash and cash equivalents approximates fair value due to the short-term nature of these items. The carrying value of receivables, payables and other amounts arising out of normal contract activities, including retentions, which may be settled beyond one year, is estimated to approximate fair value. See Note 2 for disclosure of the fair value of investments and Note 4 for disclosure of the fair value of long-term debt.

(p) Foreign Currency Translation
The functional currency for the Company's foreign subsidiaries is the local currency. Accordingly, the assets and liabilities of those operations are translated into U.S. dollars using current exchange rates at the balance sheet date and operating statement items are translated at average exchange rates prevailing during the period. The resulting cumulative translation adjustment is recorded in the foreign currency translation adjustment account as part of accumulated other comprehensive income (loss) in shareholders' equity. Foreign currency transaction gains and losses, if any, are included in operations as they occur.

(q) New Accounting Pronouncements
In January 2010, the Financial Accounting Standards Board (the "FASB") issued a staff position amending existing guidance for fair value measurements and disclosures in both interim and annual financial statements. This update requires new disclosures on significant transfers of assets and liabilities between Level 1 and Level 2 of the fair value hierarchy (including the reasons for these transfers) and the reasons for any transfers in or out of Level 3. It also requires a reconciliation of recurring Level 3 measurements and clarifies certain existing disclosure requirements for reporting fair value disaggregated by class of assets and liabilities rather than each major category of assets and liabilities. This update was effective for the Company with the interim and annual reporting period beginning January 1, 2010, except for the requirement to provide the Level 3 activity of purchases, sales, issuances, and settlements on a gross basis, which will become effective for the Company with the interim and annual reporting period beginning January 1, 2011. The Company will not be required to provide the amended disclosures for any previous periods presented for comparative purposes. Other than requiring additional disclosures, adoption of this update has not and will not have a material effect on the Company's consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2010, 2009 and 2008
(Continued)

[2] Fair Value Measurements

Fair value guidance establishes a three-tier hierarchy for disclosure of investments at fair value. This hierarchy prioritizes the inputs used to measure fair value and expands disclosures about assets and liabilities measured at fair value. A financial asset's or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement. These hierarchical tiers are defined as follows:

Level 1 – inputs are unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – inputs are other than quoted prices in active markets that are either directly or indirectly observable through market corroboration.

Level 3 – inputs are unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions based on the best information available in the circumstances.

The following table provides the assets and liabilities carried at fair value measured on a recurring basis as of December 31, 2010 and 2009 (in thousands):

		Fair Value Measurements at Dec. 31, 2010 Using		
	Total Carrying Value at Dec. 31, 2010	**Quoted prices in active markets (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Cash and cash equivalents	$ 471,378	$ 471,378	$ -	$ -
Restricted cash	23,550	23,550	-	-
Short-term investments	28	28	-	-
Auction rate securities	88,129	-	-	88,129
TOTAL	$ 583,085	$ 494,956	$ -	$ 88,129

		Fair Value Measurements at Dec. 31, 2009 Using		
	Total Carrying Value at Dec. 31, 2009	**Quoted prices in active markets (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Cash and cash equivalents	$ 348,309	$ 348,309	$ -	$ -
Restricted cash	-	-	-	-
Short-term investments	76	76	-	-
Auction rate securities	101,201	-	-	101,201
TOTAL	$ 449,586	$ 348,385	$ -	$ 101,201

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For the Years Ended December 31, 2010, 2009 and 2008
(Continued)

[2] Fair Value Measurements (continued)

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during 2010 and 2009 are as follows (in thousands):

	Auction Rate Securities
Balance at December 31, 2009	$ 101,201
Purchases	-
Settlements	(7,400)
Impairment charge included in Other Income (Expense), net	(5,746)
Reversal of impairment charges included in Other Income (Expense), net	74
Balance at December 31, 2010	$ 88,129

	Auction Rate Securities
Balance at December 31, 2008	$ 103,429
Purchases	-
Settlements	(2,250)
Reversal of impairment charges included in Other Income (Expense), net	22
Balance at December 31, 2009	$ 101,201

The Company's investments primarily consist of cash and cash equivalents and auction rate securities ("ARS"). Cash and cash equivalents consist primarily of money market funds with original maturity dates of three months or less, for which fair value is determined through quoted market prices. Short-term investments consist of an S&P 500 index mutual fund for which fair value is determined through quoted market prices.

At December 31, 2010, the Company had $88.1 million invested in ARS which the Company considers available for sale. The majority of the ARS held at December 31, 2010, totaling $67.9 million, are securities collateralized by student loan portfolios, which are guaranteed by the United States government. Additional amounts totaling $12.2 million are invested in securities collateralized by student loan portfolios, which are privately insured. The remainder of the securities, totaling $8.0 million, is invested in tax-exempt bonds. Most of the Company's ARS are rated AAA or AA. Due to the Company's belief that the market for both government-backed and privately insured student loans, as well as for tax-exempt municipal bonds, may take in excess of twelve months to fully recover, the Company has classified its $88.1 million investment in these securities as non-current and this amount is included in Long-term Investments in the Consolidated Balance Sheets at December 31, 2010.

To estimate the fair value of its ARS, the Company utilized an income approach valuation model which considered, among other items, the following inputs: (i) the underlying structure of each security; (ii) the present value of future principal and interest payments discounted at rates considered to reflect current market conditions; and (iii) consideration of the probabilities of default or repurchase at par for each period. As a result of this analysis, the Company recorded an impairment charge of $5.7 million during 2010. This impairment charge was deemed to be other-than-temporary and was recorded as a charge against income.

The carrying value of cash and cash equivalents approximates fair value due to the short-term nature of these items. The carrying value of receivables, payables, long-term debt and other amounts arising out of normal contract activities, including retainage, which may be settled beyond one year, is estimated to approximate fair value.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2010, 2009 and 2008
(Continued)

[3] Goodwill and Other Intangible Assets

During 2009, the Company completed a reorganization enabling the Company to realize greater operating efficiencies and take full advantage of the civil construction expertise acquired through the merger with Tutor-Saliba. As a result of the reorganization, the composition and number of reporting units changed. The Company reallocated goodwill between its reorganized reporting units based on the relative fair value of pre-reorganization reporting unit components distributed to post-reorganization reporting units. The number of reportable segments has not changed (see Note 12). Changes in the carrying amount of goodwill during 2010 and 2009 are as follows (in thousands):

	Building	Civil	Management Services	Total
Gross goodwill at December 31, 2008	$ 605,314	$ 83,163	$ 66,533	$ 755,010
Accumulated impairment	(146,847)	-	(20,051)	(166,898)
Balance at December 31, 2008	458,467	83,163	46,482	588,112
Goodwill recorded in connection with the acquisition of Keating	14,359	-	-	14,359
Subtotal	472,826	83,163	46,482	602,471
Reallocation based on relative fair value	(217,929)	217,824	105	-
Balance at December 31, 2009	254,897	300,987	46,587	602,471
Goodwill recorded in connection with the acquisition of Superior Gunite	-	18,267	-	18,267
Acquisition related adjustment	1,182	-	-	1,182
Balance at December 31, 2010	$ 256,079	$ 319,254	$ 46,587	$ 621,920

In the fourth quarter of 2010, the Company performed its impairment evaluation of goodwill and other intangible assets. There was no change in the carrying amount of goodwill and other intangible assets as a result of this evaluation. As of the date of the most recent annual impairment analysis, the fair value of the Company substantially exceeded the carrying value of $1.3 billion and the market capitalization of $914 million. The implied control premium was within the range of market control premiums paid in transactions of companies in the construction industry during 2010.

In 2008, the Company recorded an impairment to goodwill of approximately $166.9 million. The Company also recorded impairment charges of $57.6 million ($35.9 million after taxes) related to the trade names and contractor license. These non-cash impairment charges relating to goodwill and the other indefinite-lived intangible assets do not affect the Company's cash position, liquidity or have any impact on future operating results.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2010, 2009 and 2008
(Continued)

[3] Goodwill and Other Intangible Assets (continued)

Other intangible assets consist of the following (in thousands):

	December 31, 2010				Weighted Average Amortization Period
	Cost	Accumulated Amortization	Accumulated Impairment Charge	Carrying Value	
Trade names	$ 158,150	$ -	$ (56,900)	$ 101,250	Indefinite
Contractor license	6,000	-	(680)	5,320	Indefinite
Customer relationships	31,700	(7,113)	-	24,587	11.8 years
Construction contract backlog	34,540	(33,146)	-	1,394	2.4 years
Non-compete agreements	2,400	(2,400)	-	-	n.a.
Total	$ 232,790	$ (42,659)	$ (57,580)	$ 132,551	

	December 31, 2009				Weighted Average Amortization Period
	Cost	Accumulated Amortization	Accumulated Impairment Charge	Carrying Value	
Trade names	$ 153,050	$ -	$ (56,900)	$ 96,150	Indefinite
Contractor license	6,000	-	(680)	5,320	Indefinite
Customer relationships	31,700	(4,243)	-	27,457	11.8 years
Construction contract backlog	33,340	(28,300)	-	5,040	2.5 years
Non-compete agreements	2,400	(2,040)	-	360	5 years
Total	$ 226,490	$ (34,583)	$ (57,580)	$ 134,327	

Amortization expense for the years ended December 31, 2010, 2009 and 2008 totaled $8.1 million, $16.7 million and $14.6 million, respectively. At December 31, 2010, amortization expense is estimated to be $4.3 million in 2011, $2.9 million in 2012, 2013 and 2014, $2.3 million in 2015 and $10.7 million thereafter.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2010, 2009 and 2008
(Continued)

[4] Financial Commitments

Long-term Debt

Long-term debt at December 31, 2010 and 2009 consists of the following (in thousands):

	2010	2009
Senior unsecured notes due November 1, 2018 at a rate of 7.625% interest payable in equal semi-annual installments beginning May 1, 2011 through November 1, 2018.	$ 300,000	$ -
Less unamortized debt discount based on imputed interest rate of 7.75%	(2,186)	-
Total amount less unamortized discount	297,814	-
Equipment financing at rates ranging from 4.25% to 7.95%	29,883	37,486
Loan on transportation equipment at a rate of 6.44% payable in equal monthly installments over a five- year period, with a balloon payment of $29.3 million in 2014	33,308	34,398
Loan on transportation equipment at a variable LIBOR-based rate plus 2.4% payable in equal monthly installments over a seven-year period, with a balloon payment of $12.0 million in 2015	15,426	16,044
Mortgages on land and office building, both at a variable LIBOR-based interest rate plus 2.0% with principal amortized at a fixed rate of 5.25% payable in equal monthly installments over seven and fifteen year periods, respectively. The seven-year mortgage includes a balloon payment of $3.0 million in 2016	8,892	9,383
Mortgage on office building at a variable rate of lender's prime rate less 1.0% (2.25% in 2010) payable in equal monthly installments over a ten-year period, with a balloon payment of $2.6 million in 2018	4,403	4,646
Mortgage on office building at a rate of 7.16% payable in equal monthly installments over a five-year period, with a balloon payment of $1.5 million in 2011	1,563	1,614
Mortgage on office building at a rate of 5.62% payable in equal monthly installments over a five-year period, with a balloon payment of $1.1 million in 2013	1,262	1,331
Mortgage on office building at a rate of 8.96% payable in equal monthly installments over a ten-year period, with a balloon payment of approximately $5.3 million in 2010	-	5,560
Other Indebtedness	3,133	5,643
Total	395,684	116,105
Less – current maturities	21,334	31,334
Net long-term debt	$ 374,350	$ 84,771

Payments required under these obligations amount to approximately $21.3 million in 2011, $11.3 million in 2012, $8.2 million in 2013, $34.7 million in 2014, $13.6 million in 2015 and $306.6 million in 2016 and beyond.

7.625% Senior Notes due 2018

On October 20, 2010, the Company completed a private placement offering of $300 million in aggregate principal amount of its 7.625% senior unsecured notes due November 1, 2018 (the "Notes"). The Notes were priced at 99.258%, resulting in a yield to maturity of 7.75%. The Notes were made available in a private offering that is exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"). The private placement of the Notes resulted in proceeds to the Company of approximately $293.2 million after debt discount of $2.2 million and debt issuance costs of $4.6 million. The Notes were issued pursuant to an indenture (the "Indenture"), dated as of October 20, 2010 by and among the Company, its subsidiary guarantors and Wilmington Trust FSB, as trustee (the "Trustee").

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2010, 2009 and 2008
(Continued)

[4] Financial Commitments (continued)

The Notes mature on November 1, 2018, and bear interest at a rate of 7.625% per annum, payable semi-annually in cash in arrears on May 1 and November 1 of each year, beginning on May 1, 2011. The Notes are senior unsecured obligations of the Company and are guaranteed by substantially all of the Company's existing and future subsidiaries that guarantee obligations under the Company's Amended Credit Agreement.

The terms of the Indenture, among other things, limit the ability of the Company and its restricted subsidiaries to (i) incur additional indebtedness or issue certain preferred stock; (ii) pay dividends on, or make distributions in respect of, the Company's capital stock or repurchase the Company's capital stock; (iii) make certain investments or other restricted payments; (iv) sell certain assets; (v) create liens or use assets as security in other transactions; (vi) merge, consolidate or transfer or dispose of substantially all of the Company's assets; and (vii) engage in certain transactions with affiliates.

The Notes are redeemable, in whole or in part, at any time on or after November 1, 2014, at the redemption prices specified in the Indenture, together with accrued and unpaid interest, if any, to the redemption date. At any time prior to November 1, 2013, the Company may redeem up to 35% of the aggregate principal amount of the Notes with the net cash proceeds from certain equity offerings at a redemption price equal to 107.625% of the principal amount thereof, together with accrued and unpaid interest, if any, to the redemption date. In addition, at any time prior to November 1, 2014, the Company may redeem the Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the Notes so redeemed, plus a "make whole" premium, together with accrued and unpaid interest, if any, to the redemption date.

Upon the occurrence of a change of control triggering event specified in the Indenture, the Company must offer to purchase the Notes at a redemption price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of purchase.

The Indenture provides for customary events of default (subject in certain cases to customary grace and cure periods), which include nonpayment, breach of covenants in the Indenture, payment defaults or acceleration of other indebtedness, a failure to pay certain judgments and certain events of bankruptcy and insolvency. If an event of default occurs and is continuing, the Trustee or holders of at least 25% in principal amount of the outstanding Notes may declare the principal, accrued and unpaid interest, if any, on all the Notes to be due and payable.

On October 20, 2010, in connection with the private placement of the Notes, the Company, its subsidiary guarantors and the initial purchasers of the Notes entered into a Registration Rights Agreement (the "Registration Rights Agreement"). The terms of the Registration Rights Agreement require the Company and its subsidiary guarantors to (i) use their commercially reasonable efforts to file with the Securities and Exchange Commission and cause to become effective within 365 days after the date of the initial issuance of the Notes, a registration statement with respect to an offer to exchange the Notes for a new issue of debt securities registered under the Securities Act (the "Exchange Offer"), with terms substantially identical to those of the Notes, (except for provisions relating to the transfer restrictions and payment of additional interest); (ii) keep the Exchange Offer open for at least 30 business days (or longer if required by applicable law); and (iii) in certain circumstances, file a shelf registration statement for the resale of the Notes. If the Company and its subsidiary guarantors fail to satisfy their registration obligations under the Registration Rights Agreement, then the Company will be required to pay additional interest to the holders of the Notes, up to a maximum additional interest rate of 1.00% per annum.

Amended Credit Agreement

On September 8, 2008, the Company entered into a Third Amended and Restated Credit Agreement (the "Credit Agreement") with Bank of America, N. A. The Credit Agreement has been amended by a Joinder Agreement dated February 13, 2009 executed by Daniel J. Keating Construction Company; by a First Amendment dated February 23, 2009; by a Second Amendment dated January 13, 2010; and by a Third Amendment dated October 4, 2010 (collectively, the "Amended Credit Agreement"). The Amended Credit Agreement allows the Company to borrow up to $205 million on a revolving credit basis (the "Revolving Facility"), with a $50 million sublimit for letters of credit, and an additional $99.6 million at December 31, 2010 under a supplemental facility to the extent that the $205 million base facility has been fully drawn ("Supplemental Facility"). Subject to certain conditions, the Company has the option to increase the base facility by up to an additional $45 million. Subsidiaries of the Company unconditionally guarantee the obligations of the Company under the Amended Credit Agreement. Certain companies not party to the Amended Credit Agreement have become subsidiaries of the Company as a result of the acquisitions of Superior Gunite on November 1, 2010 and Fisk Electric on January 3, 2011, and therefore will also become guarantors under the Amended Credit Agreement. The obligations under the Amended Credit Agreement are secured by a lien on all personal property and certain real property of the Company and its subsidiaries party thereto. Amounts outstanding under the Amended Credit Agreement bear interest at a rate equal to, at the Company's option, (a) the adjusted British Bankers Association LIBOR rate, as defined, plus 100 to 350 basis points (with a floor of 250 basis points for the $205 million base facility) based on the ratio of consolidated funded indebtedness of the Company and its subsidiaries to consolidated EBITDA or (b) the higher of the Federal Funds Rate plus 50 basis points, or the prime rate announced by Bank of America, N.A., plus up to 250 basis points based on the ratio of consolidated funded indebtedness of the Company and its subsidiaries to consolidated EBITDA. In addition, the Company has agreed to pay quarterly facility fees of 0.50% per annum of the unused portion of the base credit facility and ranging from 0.20% to 0.35% per annum of the unused portion of the supplementary facility. Any outstanding loans under the Revolving Facility and Supplemental Facility mature on February 22, 2012.

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(Continued)

[4] Financial Commitments (continued)

The Amended Credit Agreement requires the Company to comply with certain financial and other covenants including minimum net worth, minimum fixed charge coverage and maximum leverage ratios. The Amended Credit Agreement also includes certain customary provisions for this type of facility, including operational covenants restricting liens, investments, indebtedness, fundamental changes in corporate organization, and dispositions of property, and events of default, certain of which include corresponding grace periods and notice requirements. The Company was in compliance with the covenants of the Amended Credit Agreement as of December 31, 2010. In addition, the Amended Credit Agreement provides that the Supplemental Facility shall be reduced by the amount of any reduction in the principal amount of certain auction rate securities presently held by the Company.

The Company borrowed under its available Revolving Facilities during a brief period in 2009 and did not utilize the Revolving Facility during either 2010 or 2008, other than for letters of credit. There are no borrowings outstanding at December 31, 2010. Accordingly, at December 31, 2010, the Company has $304.5 million available to borrow under the Amended Credit Agreement, including the Supplemental Facility.

Collateralized Loans

In March 2010, the Company obtained three loans totaling $9.4 million, which are collateralized by construction equipment owned by the Company. The terms of the loans include equal monthly installments inclusive of principal and interest at an interest rate of 4.25% payable over a five-year period, which began in April 2010. In April 2010, the Company obtained a loan for $2.1 million, which is collateralized by construction equipment. The terms of the loan include equal monthly installments inclusive of principal and interest at an interest rate of 4.25% payable over a five-year period, which began in May 2010. In June and October of 2010, the Company obtained loans for $6.3 million, collectively, which were used to finance certain insurance-related obligations. The terms of the loans include equal monthly installments inclusive of principal and interest at interest rates of 3.48% and 2.71% payable over a one-year period, which began in June and October of 2010.

In July 2009, the Company obtained a loan for $35 million from U.S. Bancorp Equipment Finance, Inc., which is collateralized by transportation equipment owned by the Company. The terms of the loan include equal monthly installments inclusive of principal and interest at an interest rate of 6.44% payable over a five-year period, which began in July 2009, with a balloon payment of $29.3 million in 2014. In addition, the Company obtained two loans during 2009 totaling $9.7 million from First Hawaiian Bank to finance building and land acquisition for operations in Guam. Both notes carry interest at a LIBOR-based rate and mature on February 12, 2016.

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(Continued)

[4] Financial Commitments (continued)

Fair Value of Fixed and Variable Rate Debt

The fair value of variable rate debt approximated its carrying value at December 31, 2010 and 2009, of $29.6 million and $31.1 million, respectively. The fair value of the Company's fixed rate Notes as of December 31, 2010 is $301 million, which approximates its carrying value of $297.8 million. The fair value of the Notes was estimated based on market quotations at December 31, 2010. For other fixed rate debt, fair value is determined based on discounted cash flows for the debt at the Company's current incremental borrowing rate for similar types of debt. The estimated fair value of other fixed rate debt at December 31, 2010 and 2009 is $67.3 million and $87.0 million, respectively, compared to the carrying amount of $68.3 million and $85.0 million, respectively.

Leases

The Company leases certain construction equipment, vehicles and office space under non-cancelable operating leases. Future minimum rent payments under non-cancelable operating leases as of December 31, 2010 are as follows (in thousands):

	Amount
2011	$ 9,155
2012	7,703
2013	6,748
2014	6,430
2015	5,698
Thereafter	7,018
Subtotal	42,752
Less - Sublease rental agreements	(1,290)
Total	$ 41,462

Rental expense under operating leases of construction equipment, vehicles and office space was $10,546 in 2010, $13,199 in 2009 and $10,498 in 2008.

[5] Income Taxes

For the years ended December 31, 2010, 2009 and 2008, the income (loss) before taxes, consists of the following (in thousands):

	U.S. Operations	Foreign Operations	Total
2010	$ 159,474	$ (6)	$ 159,468
2009	$ 196,088	$ 9,052	$ 205,140
2008	$ (3,734)	$ (16,116)	$ (19,850)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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(Continued)

[5] Income Taxes (continued)

The provision for income taxes consists of the following (in thousands):

	Federal	State	Foreign	Total
2010				
Current	$ 49,873	$ 9,528	$ 175	$ 59,576
Deferred	(2,464)	(983)	(161)	(3,608)
	$ 47,409	$ 8,545	$ 14	$ 55,968
2009				
Current	$ 65,822	$ 9,737	$ 3,061	$ 78,620
Deferred	(11,139)	506	92	(10,541)
	$ 54,683	$ 10, 243	$ 3,153	$ 68,079
2008				
Current	$ 54,811	$ 7,174	$ 1,289	$ 63,274
Deferred	(7,732)	(479)	227	(7,984)
	$ 47,079	$ 6,695	$ 1,516	$ 55,290

The table below reconciles the difference between the statutory federal income tax rate and the effective rate provided for income (loss) before income taxes in the Consolidated Statements of Operations.

	2010	2009	2008
Statutory federal income tax rate	35.0%	35.0%	35.0%
State income taxes, net of federal tax benefit	3.2	3.2	(24.0)
Officer's compensation	0.3	0.3	(6.6)
Impairment of goodwill and other intangible assets	-	-	(294.3)
Other	(3.4)	(5.3)	11.4
Effective tax rate	35.1%	33.2%	(278.5)%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2010, 2009 and 2008
(Continued)

[5] Income Taxes (continued)

The following is a summary of the significant components of the deferred tax assets and liabilities as of December 31, 2010 and 2009 (in thousands):

	2010	2009
Deferred Tax Assets		
Timing of expense recognition	$ 44,781	$ 43,312
Other, net	-	(35)
Deferred tax assets	44,781	43,277
Deferred Tax Liabilities		
Intangible assets, due primarily to purchase accounting	(52,454)	(55,231)
Fixed assets, due primarily to purchase accounting	(61,445)	(51,125)
Construction contract accounting	(7,333)	(13,707)
Joint ventures - construction	1,384	(360)
Other	(278)	(461)
Deferred tax liabilities	(120,126)	(120,884)
Net deferred tax liability	$ (75,345)	$ (77,607)

The net deferred tax liability as of December 31, 2010 and 2009 is classified in the Consolidated Balance Sheets based on when the future benefit (expense) is expected to be realized as follows (in thousands):

	2010	2009
Current deferred tax asset	$ 3,737	$ 1,370
Long-term deferred tax liability	(79,082)	(78,977)
	$ (75,345)	$ (77,607)

The Company recorded an immaterial valuation allowance against net operating losses generated in New York State and New York City. The Company will continue to assess the realizability of the New York net operating losses in the future.

In general, it is the practice and intention of the Company to reinvest the earnings of its non-U.S. subsidiaries in those operations. Generally, such amounts become subject to U.S. taxation upon the remittance of dividends and under certain other circumstances. As of December 31, 2010, unremitted earnings of foreign subsidiaries, which have been or are intended to be permanently invested, aggregated approximately $15.8 million. It is not practical to estimate the amount of deferred tax liability related to investments in these foreign subsidiaries.

The Company identified and reviewed potential tax uncertainties and determined that the exposure to those uncertainties did not have a material impact on the Company's results of operations or financial condition as of December 31, 2010 and 2009.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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(Continued)

[6] Other Assets, Other Long-term Liabilities and Other Income (Expense), Net

Other Assets, Other Long-term Liabilities and Other Income (Expense), Net consist of the following (in thousands):

Other Assets

	2010	2009
Deferred costs	$ 7,969	$ 1,903
Mineral reserves	3,262	12,814
Deposits	375	3,090
Other long-term assets	1,535	1,473
	$ 13,141	$ 19,280

Other Long-term Liabilities

	2010	2009
Pension liability	$ 23,944	$ 20,590
Acquisition related liabilities	8,733	11,200
Subcontractor insurance program	4,508	7,787
Employee benefit related liabilities	2,295	2,053
Mineral royalties payable	1,894	11,325
Deferred lease incentive	1,608	1,697
Other	1,698	2,392
	$ 44,680	$ 57,044

Other Income (Expense), Net

	2010	2009	2008
Interest income	$ 4,458	$ 4,666	$ 12,898
Amortization of deferred costs	(1,745)	(398)	(290)
Bank fees	(1,618)	(1,494)	(1,093)
Adjustment of investments to fair value	(5,742)	39	(2,721)
Realized loss on sale of investments, net	(312)	-	-
Adjustment of business acquisition liabilities	3,333	(1,500)	-
Gain on sale of property used in operations	-	157	1,617
Loss from land sales, net	-	(340)	(638)
Miscellaneous income (expense), net	(654)	(32)	(214)
	$ (2,280)	$ 1,098	$ 9,559

[7] Employee Benefit Plans

The Company has a defined benefit pension plan that covers certain of its executive, professional, administrative and clerical employees, subject to certain specified service requirements. The plan is noncontributory and benefits are based on an employee's years of service and "final average earnings", as defined. The plan provides reduced benefits for early retirement and takes into account offsets for social security benefits. The Company also has an unfunded supplemental retirement plan ("Benefit Equalization Plan") for certain employees whose benefits under the defined benefit pension plan were reduced because of compensation limitations under federal tax laws. Effective June 1, 2004, all benefit accruals under the Company's pension plan and Benefit Equalization Plan were frozen; however, the current vested benefit was preserved. Pension disclosure as presented below includes aggregated amounts for both of the Company's plans, except where otherwise indicated.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2010, 2009 and 2008
(Continued)

[7] Employee Benefit Plans (continued)

The Company historically has used the date of its fiscal year-end as its measurement date to determine the funded status of the plan.

Net periodic benefit cost for 2010, 2009 and 2008 is as follows (in thousands):

	2010	2009	2008
Interest cost on projected benefit obligation	$ 4,531	$ 4,676	$ 4,658
Expected return on plan assets	(4,960)	(4,871)	(4,799)
Amortization of net loss	2,818	1,776	1,468
Net periodic benefit cost	$ 2,389	$ 1,581	$ 1,327
Actuarial assumptions used to determine net cost:			
Discount rate	5.84%	6.29%	6.41%
Expected return on assets	7.50%	7.50%	7.50%
Rate of increase in compensation	n.a.	n.a.	n.a.

The expected long-term rate of return on assets assumption will remain at 7.50% for 2011. The expected long-term rate of return on assets assumption was developed considering forward looking capital market assumptions and historical return expectations for each asset class assuming the Company's target asset allocation and full availability of invested assets.

The target asset allocation for the Company's pension plan by asset category for 2011 and the actual asset allocation at December 31, 2010 and 2009 by asset category are as follows:

	Percentage of Plan Assets at December 31,		
Asset Category	Target Allocation 2011	2010	2009
Equity securities:			
Domestic	60.0%	60.2%	58.6%
International	15.0	14.2	14.2
Fixed income securities	25.0	25.6	27.2
Total	100.0%	100.0%	100.0%

The target asset allocation was established to attempt to maximize returns with consideration of the long-term nature of the obligations and to reduce the level of overall market volatility through the allocation to fixed income investments. During the year, the asset allocation is reviewed for adherence to the target asset allocation and the portfolio of investments is rebalanced periodically.

International investments consist primarily of large capitalization equities for which fair value is determined using quoted market prices. During 2007, the domestic equity portfolio was transferred to funds of hedge funds, with the goal of generating returns in excess of traditional equity funds. As of December 31, 2010 and 2009, plan assets included approximately $36.6 million and $33.8 million, respectively, of investments in funds of hedge funds which do not have readily determinable fair values. The underlying holdings of the funds are comprised of a combination of assets for which the estimate of fair value is determined using information provided by fund managers. The fixed income allocation comprises a high yield mutual fund which invests primarily in corporate bonds with an average rating of B for which fair value is determined using quoted market prices.

The Company expects to contribute approximately $4.2 million to its defined benefit pension plan in 2011.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2010, 2009 and 2008
(Continued)

[7] Employee Benefit Plans (continued)

Future benefit payments under the plans are estimated as follows (in thousands):

		Amount
2011	$	5,207
2012		5,356
2013		5,525
2014		5,647
2015		5,824
2016 - 2020		30,384

The following tables provide a reconciliation of the changes in the fair value of plan assets and plan benefit obligations during the two-year period ended December 31, 2010, and a summary of the funded status as of December 31, 2010 and 2009 (in thousands):

		2010		2009
Change in Fair Value of Plan Assets				
Balance at beginning of year	$	57,715	$	46,082
Actual return on plan assets		5,215		9,247
Company contribution		3,766		6,949
Benefit payments		(4,994)		(4,563)
Balance at end of year	$	61,702	$	57,715
Change in Benefit Obligations				
Balance at beginning of year	$	80,597	$	76,350
Interest cost		4,531		4,676
Assumption change loss		8,478		-
Actuarial (gain) loss		(466)		4,134
Benefit payments		(4,994)		(4,563)
Balance at end of year	$	88,146	$	80,597
Funded Status				
Funded status at December 31,	$	(26,444)	$	(22,882)
Amounts recognized in Consolidated Balance Sheets consist of:				
Current liabilities	$	(205)	$	(239)
Long-term liabilities		(26,239)		(22,643)
Net amount recognized in Consolidated Balance Sheets	$	(26,444)	$	(22,882)
Amounts not yet reflected in net periodic benefit cost and included in accumulated other comprehensive loss:				
Net actuarial loss	$	(44,428)	$	(39,488)
Accumulated other comprehensive loss		(44,428)		(39,488)
Cumulative Company contributions in excess of net periodic benefit cost		17,984		16,606
Net amount recognized in Consolidated Balance Sheets	$	(26,444)	$	(22,882)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2010, 2009 and 2008
(Continued)

[7] Employee Benefit Plans (continued)

The estimated amount of the net accumulated loss that will be amortized from accumulated other comprehensive loss into net period benefit cost in 2011 is $4.0 million.

	2010	2009
Actuarial assumptions used to determine benefit obligation:		
Discount rate	5.18%	5.84%
Rate of increase in compensation	n.a.	n.a.
Measurement date	December 31	December 31

The following table sets forth the plan assets at fair value as of December 31, 2010 and 2009 (in thousands) in accordance with the fair value hierarchy described in Note 2:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Value as of Dec. 31, 2010
Cash and cash equivalents	$ 443	$ -	$ -	$ 443
Fixed Income	15,842	-	-	15,842
International Mutual Funds	8,800	-	-	8,800
Hedge Fund Investments:				
Cash	1,521	-	-	1,521
Long-Short Equity Fund	-	-	12,864	12,864
Event Driven Fund	-	-	8,444	8,444
Distressed Credit	-	-	9,447	9,447
Multi-Strategy Fund	-	-	4,341	4,341
Total	$ 26,606	$ -	$ 35,096	$ 61,702

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Value as of Dec. 31, 2009
Cash and cash equivalents	$ 402	$ -	$ -	$ 402
Fixed Income	15,269	-	-	15,269
International Mutual Funds	8,219	-	-	8,219
Hedge Fund Investments:				
Cash	2,469	-	-	2,469
Long-Short Equity Fund	-	-	14,574	14,574
Event Driven Fund	-	-	4,488	4,488
Distressed Credit	-	-	8,651	8,651
Multi-Strategy Fund	-	-	3,643	3,643
Total	$ 26,359	$ -	$ 31,356	$ 57,715

Fund strategies seek to capitalize on inefficiencies identified across different asset classes or markets. Hedge fund strategy types include long-short, event driven, multi-strategy and distressed credit.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2010, 2009 and 2008
(Continued)

[7] Employee Benefit Plans (continued)

The table below sets forth a summary of changes in the fair value of the Level 3 assets for the years ended December 31, 2010 and December 31, 2009 (in thousands):

	Changes in Fair Value of Level 3 Assets				
	Long-Short Equity Fund	**Event Driven Fund**	**Distressed Credit**	**Multi-Strategy Fund**	**Total**
Balance, December 31, 2009	$ 14,574	$ 4,488	$ 8,651	$ 3,643	$ 31,356
Realized gains (losses)	-	-	-	(21)	(21)
Unrealized gains (losses)	(2,128)	3,682	489	770	2,813
Purchases	418	274	307	141	1,140
Sales	-	-	-	(192)	(192)
Issuances	-	-	-	-	-
Balance, December 31, 2010	$ 12,864	$ 8,444	$ 9,447	$ 4,341	$ 35,096

	Changes in Fair Value of Level 3 Assets				
	Long-Short Equity Fund	**Event Driven Fund**	**Distressed Credit**	**Multi-Strategy Fund**	**Total**
Balance, December 31, 2008	$ 10,972	$ 5,288	$ 6,239	$ 2,527	$ 25,026
Realized gains (losses)	(407)	(316)	(173)	(278)	(1,174)
Unrealized gains (losses)	2,699	(888)	1,808	1,066	4,685
Purchases	2,191	1,088	1,150	929	5,358
Sales	(881)	(684)	(373)	(601)	(2,539)
Issuances	-	-	-	-	-
Balance, December 31, 2009	$ 14,574	$ 4,488	$ 8,651	$ 3,643	$ 31,356

The net actuarial gain arising during the period, netted against the amortization of the previously existing actuarial loss during the period, resulted in net other comprehensive loss of $4.9 million in 2010, net other comprehensive income of $2.0 million in 2009 and a net other comprehensive loss of $24.0 million in 2008. Other comprehensive loss attributable to a change in the unfunded projected benefit obligation amounted to a net increase of $17.5 million recognized in prior years. The cumulative net amount of $44.4 million represents the excess of the projected benefit obligations of the Company's pension plans over the fair value of the plans' assets as of December 31, 2010, compared to an $18.0 million pension asset previously recognized. The net amount of $26.4 million is reflected as a liability as of December 31, 2010 (see above) with the offset being a reduction in stockholders' equity. Adjustments to the amount of this pension liability will be recorded in future years, as required, based upon periodic re-evaluation of the funded status of the Company's pension plans.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2010, 2009 and 2008
(Continued)

[7] Employee Benefit Plans (continued)

The Company's plans have benefit obligations in excess of the fair value of the plans' assets. The following table provides information relating to each of the plans' benefit obligations compared to the fair value of its assets as of December 31, 2010 and 2009 (in thousands):

	2010			2009		
	Pension Plan	Benefit Equalization Plan	Total	Pension Plan	Benefit Equalization Plan	Total
Projected benefit obligation	$ 84,952	$ 3,194	$ 88,146	$ 77,449	$ 3,148	$ 80,597
Accumulated benefit obligation	84,952	3,194	88,146	77,449	3,148	80,597
Fair value of plan assets	61,702	-	61,702	57,715	-	57,715
Projected benefit obligation greater than fair value of plan assets	23,250	3,194	26,444	19,734	3,148	22,882
Accumulated benefit obligation greater than fair value of plan assets	$ 23,250	$ 3,194	$ 26,444	$ 19,734	$ 3,148	$ 22,882

The Company has a contributory Section 401(k) plan which covers its executive, professional, administrative and clerical employees, subject to certain specified service requirements. The 401(k) expense provision approximated $2.4 million in 2010, $4.3 million in 2009 and $4.8 million in 2008. The Company's contribution is based on a non-discretionary match of employees' contributions, as defined.

The Company has a cash-based and a stock-based incentive compensation plan for key employees which are generally based on the Company's achievement of a certain level of profit. For information on the Company's stock-based incentive compensation plan, see Note 10.

The Company also contributes to various multi-employer union retirement plans under collective bargaining agreements which provide retirement benefits for substantially all of its union employees. The aggregate amounts provided in accordance with the requirements of these plans were approximately $21.5 million in 2010, $26.0 million in 2009, and $30.6 million in 2008. The Multi-employer Pension Plan Amendments Act of 1980 defines certain employer obligations under multi-employer plans. Information regarding union retirement plans is not readily available from plan administrators to enable the Company to determine its share of any unfunded vested liabilities.

Under the Employee Retirement Income Security Act, a contributor to a multi-employer plan is liable, upon termination or withdrawal from a plan, for its proportionate share of a plan's unfunded vested liability. The Company currently has no intention of withdrawing from any of the multi-employer pension plans in which it participates.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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(Continued)

[8] Contingencies and Commitments

The Company and certain of its subsidiaries are involved in litigation and are contingently liable for commitments and performance guarantees arising in the ordinary course of business. The Company and certain of its clients have made claims arising from the performance under its contracts. The Company recognizes certain significant claims for recovery of incurred cost when it is probable that the claim will result in additional contract revenue and when the amount of the claim can be reliably estimated. Several matters are in the litigation and dispute resolution process. The following discussion provides a background and current status of these matters.

Tutor-Saliba-Perini Joint Venture vs. Los Angeles MTA Matter

During 1995 Tutor-Saliba-Perini ("Joint Venture") filed a complaint in the Superior Court of the State of California for the County of Los Angeles against the Los Angeles County Metropolitan Transportation Authority ("LAMTA"), seeking to recover costs for extra work required by LAMTA in connection with the construction of certain tunnel and station projects. In 1999, LAMTA countered with civil claims under the California False Claims Act ("CFCA") against the Joint Venture, Tutor-Saliba and the Company jointly and severally (together, "TSP").

Between 2005 and 2010, the court granted certain Joint Venture motions and LAMTA capitulated on others which reduced the number of false claims LAMTA may seek and limited LAMTA's claims for damages and penalties. In September 2010, the LAMTA dismissed its remaining claims and agreed to pay the entire amount of the Joint Venture's remaining claims plus interest. On February 9, 2011, the Court entered judgment in favor of TSP and against LAMTA in the amount of $3 million. This amount is after deducting the amount of $0.5 million, representing the tunnel handrail verdict plus accrued interest against TSP. The parties will file post-trial motions for costs and fees and are expected to bring their respective appeals on a limited subset of previous court rulings, including TSP's appeal of the false claims jury verdict on the tunnel handrail claim referenced above.

The Company does not expect this matter to have any material adverse effect on its consolidated financial statements.

Perini/Kiewit/Cashman Joint Venture-Central Artery/Tunnel Project Matter

Perini/Kiewit/Cashman Joint Venture ("PKC") a joint venture in which the Company holds a 56% interest and is the managing partner, is currently pursuing a series of claims, instituted at different times over the course of the past ten years, for additional contract time and/or compensation against the Massachusetts Highway Department ("MHD") for work performed by PKC on a portion of the Central Artery/Tunnel ("CA/T") project in Boston, Massachusetts. During construction, MHD ordered PKC to perform changes to the work and issued related direct cost changes with an estimated value, excluding time delay and inefficiency costs, in excess of $100 million. In addition, PKC encountered a number of unforeseen conditions during construction that greatly increased PKC's cost of performance. MHD has asserted counterclaims for liquidated damages.

Certain of PKC's claims have been presented to a Disputes Review Board ("DRB") which consists of three construction experts chosen by the parties. To date, four DRB panels have issued nine awards and several interim decisions in favor of PKC's claims, amounting to total awards to PKC in excess of $122 million, of which $107 million were binding awards.

In December 2010, the Court granted MHD's motion for summary judgment to vacate the Third DRB Panel's award to PKC for approximately $55 million. The grounds on which the Court granted the motion was that it is the Court and not the arbitrators that has authority to decide whether particular claims are subject to the arbitration provision of the contract. The parties have submitted briefs to the Court on the issue of arbitrability of claims and is awaiting a decision. If the Court agrees with the Third DRB Panel that the arbitrated claims were in fact arbitrable under the Contract, PKC anticipates the DRB's award to PKC will remain intact. PKC reserves rights to file a motion for reconsideration and appeal.

Subject to the results of further proceedings as a result of the Court's decision with respect to the third DRB Panel's award to PKC, it is PKC's position that the remaining claims to be decided by the DRB on a binding and non-binding basis have an anticipated value of approximately $10 million, plus interest. Hearings before the DRB are scheduled to continue through 2011.

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[8] Contingencies and Commitments (continued)

Management has made an estimate of the anticipated recovery on this project and it is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the financial statements at that time.

Long Island Expressway/Cross Island Parkway Matter

The Company reconstructed the Long Island Expressway/Cross Island Parkway Interchange (the "Project") for the New York State Department of Transportation (the "NYSDOT"). The $130 million project was substantially completed in January 2004 and was accepted by the NYSDOT as finally complete in February 2006.

The Company incurred significant added costs in completing its work and suffered extended schedule costs due to numerous design errors, undisclosed utility conflicts, lack of coordination with local agencies and other interferences for which the Company believes that the NYSDOT is responsible.

In April 2009, the Company made a presentation of its position to the NYSDOT regarding additional relief it seeks from the NYSDOT. In June 2010, the Company requested that NYSDOT close-out the Project, after which the NYSDOT notified the Company that it will conduct an audit of the Company's costs under the project. To date the parties have been unable to reach a settlement agreement.

The Company planned to file suit when NYSDOT closed out the Project. NYSDOT has not closed out the project as scheduled. The Company will file alternate legal proceedings. Upon determination of a final claim amount, said final claim will be submitted to NYSDOT and simultaneously filed with the Court. Subsequent to that filing the Company will seek to sever its final claim filed with the Court and seek judgment for the Company's claim.

Management has made an estimate of the total anticipated recovery on this project and it is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the financial statements at that time.

Queensridge Matter

Perini Building Company, Inc. ("PBC") was the general contractor for the construction of One Queensridge Place, a condominium project in Las Vegas, Nevada. The developer of the project, Queensridge Towers, LLC / Executive Home Builders, Inc. ("Queensridge"), has failed to pay PBC for work which PBC and its subcontractors performed on the project.

Subcontractors have brought claims against PBC and have outstanding liens on the property in the amount of approximately $19 million. PBC also has an outstanding lien on the property in the amount of approximately $24 million, representing unpaid contract balances and additional work; $19 million of PBC's $24 million lien amount would be paid to subcontractors. Queensridge has alleged that PBC and its subcontractors are not due amounts sought and that it has back charges from incomplete and defective work. PBC filed an arbitration demand, asserting $35 million in claims against Queensridge, including $25 million for contract damages and $10 million for punitive damages.

The arbitration process is proceeding. Queensridge simultaneously filed a motion for reconsideration of the Supreme Court's denial of Queensridge's appeal relating to the resolved spoliation issue which is pending.

Management has made an estimate of the total anticipated recovery on this project and it is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the financial statements at that time.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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[8] Contingencies and Commitments (continued)

Gaylord Hotel and Convention Center Matter

In 2005, Gaylord National, LLC ("Gaylord"), as Owner, and Perini Building Company, Inc. / Tompkins Builders, Joint Venture ("PTJV"), as Construction Manager, entered into a contract to construct the Gaylord National Resort and Convention Center (the "Project") in Maryland. The Project is complete and as part of its settlement with Gaylord reached in November 2008, PTJV agreed to pay all subcontractors and defend all claims and lien actions by them relating to the Project. PTJV has closed out most subcontracts. Resolution of the issues with the remaining subcontractors may require mediation, arbitration and/or trial.

PTJV is pursuing an insurance claim for approximately $40 million related to work performed by Banker Steel Company, Inc. ("Banker Steel"), a subcontractor, including $11 million for business interruption costs incurred by Gaylord which have effectively been assigned to PTJV. In November 2009, PTJV filed suit against Factory Mutual Insurance Co. ("FM") in the Maryland federal district court alleging FM breached the insurance contracts and for declaratory judgment with respect to the insurance coverage. Pursuant to a separate agreement with Banker Steel, PTJV will share in any net recovery resulting from Banker Steel's lawsuit against its supplier which was filed in February 2010 and is pending in the Virginia federal court. In December 2010, PTJV filed suit against ACE American Insurance Company ("ACE") in Maryland federal district court alleging ACE breached the general liability insurance contract, requesting a declaratory judgment with respect to the insurance coverage and for bad faith.

Management has made an estimate of the total anticipated recovery on this project and it is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the financial statements at that time.

UCLA Westwood Replacement Hospital Matter

This project, which was undertaken by the joint venture of Tutor-Saliba Corporation and Perini Corporation ("TSP"), involved the construction of a new hospital on the University of California, Los Angeles campus. The project owner is the University of California at Los Angeles (the "Owner"). The project has been completed.

TSP filed a lawsuit, in Los Angeles Superior Court, against the Owner on behalf of TSP and its subcontractors, seeking to recover costs for extra work required by the owner. Mediation was held in June 2010. The settlement reached with the Owner was approved by the Board of Regents in September 2010, subject to appropriate release language. Subsequently, the University agreed to the settlement agreement document; signatures have been obtained and the settlement funds of approximately $48 million have been received. In fourth quarter of 2010, the majority of the cases were formally dismissed and settlements with subcontractors were finalized.

The settlement of this matter did not have any material adverse effect on the Company's consolidated financial statements.

Fontainebleau Matter

Desert Plumbing & Heating Co. ("DPH"), a wholly owned subsidiary of the Company, was the plumbing and mechanical subcontractor on the Fontainebleau Project in Las Vegas ("Fontainebleau"), a hotel/casino complex with approximately 3,800 rooms. In June 2009, Fontainebleau filed for bankruptcy protection, under Chapter 11 of the U.S. Bankruptcy Code, in the Southern District of Florida. Fontainebleau is headquartered in Miami, Florida.

DPH filed liens in Nevada for approximately $42 million, representing its unreimbursed costs to date and lost profits, including anticipated profits. Other unaffiliated subcontractors have also filed liens. On June 17, 2009, DPH filed suit against Turnberry West Construction, Inc. ("Turnberry"), the general contractor, in the 8th Judicial District Court, Clark County, Nevada, seeking damages based on contract theories. On April 2, 2010, the court entered a default judgment in favor of DPH and against Turnberry for Turnberry's failure to answer the DPH complaint and on May 27, 2010; the court entered an order on the default judgment in favor of DPH for approximately $45 million. DPH is uncertain as to Turnberry's present financial condition.

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[8] Contingencies and Commitments (continued)

In January 2010, the Bankruptcy Court approved the sale of the property to Icahn Nevada Gaming Acquisition, LLC and this transaction closed in February 2010. As a result of a July 2010 ruling relating to certain priming liens there is now approximately $125 million set aside from this sale and is available for distribution to satisfy the creditor claims based on seniority. The total estimated sustainable lien amount is approximately $350 million. The project lender filed suit against the mechanic's lien claimants, including DPH, alleging that certain mechanic's liens are invalid and that all mechanic's liens are subordinate to the lender's claims against the property. Mediation efforts to resolve lien priority have been unsuccessful. The Nevada Supreme Court has agreed to hear the case and rule on the issue of lien priority, which once received will be referred to the Bankruptcy Court for further proceedings.

Management has made an estimate of the total anticipated recovery on this project and it is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the financial statements at that time.

MGM CityCenter Matter

Perini Building Company, Inc., a wholly owned subsidiary of the Company, contracted with MGM MIRAGE Design Group ("MGM") on March 9, 2005 to construct the CityCenter project in Las Vegas, Nevada (the "Project"). The Project, which encompasses nineteen separate contracts, is a 66-acre urban mixed use development consisting of hotels, condominiums, retail space and a casino.

The Company achieved substantial completion of the Project on or about December 16, 2009, and MGM opened the Project to the public on the same date. On March 24, 2010, the Company filed suit against MGM and certain other property owners in the Clark County District Court alleging (1) breach of contract, (2) breach of the implied covenant of good faith and fair dealing, (3) tortious breach of the implied covenant of good faith and fair dealing, (4) unjust enrichment, (5) fraud and intentional misrepresentation, (6) foreclosure of mechanic's lien, and (7) claim of priority. On March 29, 2010, the Company filed a $491 million mechanic's lien against the Project.

In a Current Report on Form 8-K filed by MGM on March 12, 2010, and in subsequent communications issued, MGM has asserted that it believes it owes substantially less than the claimed amount and that it has claims for losses in connection with the construction of the Harmon Hotel and is entitled to unspecified offsets for other work on the Project. According to MGM, the total of the offsets and the Harmon Hotel claims exceed the amount claimed by the Company. MGM's filing and subsequent communications do not specify in any detail the basis for MGM's belief that it has such claims against the Company.

On May 14, 2010, MGM filed a counterclaim and third party complaint against the Company and its subsidiary Perini Building Company. On June 24, 2010, MGM filed its First Amended Third Party Complaint in which MGM removed certain causes of actions against the Company. On June 28, 2010, the court granted the Company and MGM's joint motion to consolidate all subcontractor initiated actions into the main CityCenter lawsuit. Trial was scheduled for September 2011, but will likely be postponed since the Nevada Supreme Court stayed the case in November 2010, in response to MGM's request after an adverse ruling against MGM to disqualify MGM's local counsel.

In public statements, MGM asserted its intent to enter into settlement discussions directly with subcontractors under contract with the Company. As of December 31, 2010, MGM has reached agreements with subcontractors to settle at a discount $241 million of amounts previously billed to MGM. The Company has reduced amounts included in revenues, cost of construction operations, accounts receivable and accounts payable for the reduction in subcontractor pass-through billings. At December 31, 2010, the Company had approximately $249 million recorded as contract receivables for amounts due and owed to the Company and its subcontractors. Included in the Company's receivables are pass-through subcontractor billings for contract work and retention, and other requests for equitable adjustment for additional work in the amount of $136 million. As pass-through subcontractor billings are settled, the Company will reduce its mechanic's lien as appropriate. As of December 31, 2010, the Company's mechanic's lien has been reduced to

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[8] Contingencies and Commitments (continued)

$313 million. In the event MGM reaches additional settlements with subcontractors for amounts less than currently due and the settlement is agreed to by the Company, the Company will reduce amounts included in revenues, cost of construction operations, accounts receivable and accounts payable for the reduction in subcontractor pass-through billings, which we would not expect to have an impact on recorded profit.

With respect to alleged losses at the Harmon Hotel, the Company has contractual indemnities from the responsible subcontractor, as well as existing insurance coverage that it expects will be available and sufficient to cover any liability that may be associated with this matter. The Company is not aware of a basis for other claims that would amount to material offsets against what MGM owes to the Company. The Company does not expect this matter to have a material adverse effect on its consolidated financial statements.

Management has made an estimate of the total anticipated recovery on this project and it is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the financial statements at that time.

Honeywell Street/Queens Boulevard Bridges Matter

In 1999, the Company was awarded a contract for reconstruction of the Honeywell Street/Queens Boulevard Bridges (the "Project") for the City of New York (the "City"). In June 2003, after substantial completion of the Project, the Company initiated an action to recover $8.75 million in claims from the City on behalf of itself and its subcontractors. In February 2010, the Company initiated a second action in the Supreme Court of the State of New York to recover an additional $0.7 million in claims against the City for unpaid retention. On March 18, 2010, the City filed counterclaims for $74.6 million and other relief, alleging fraud in connection with the DBE requirements for the Project. On May 18, 2010, the Company served the City with its response to the City's counterclaims and affirmative defenses. Parties are discussing settlement possibilities. No trial date has been set.

The Company does not expect this matter to have any material adverse effect on its consolidated financial statements.

Westgate Planet Hollywood Matter

Tutor-Saliba Corporation, a wholly owned subsidiary of the Company, contracted to construct a time share development in Las Vegas (the "Project") which was substantially completed on December 11, 2009. The Company's claims against the owner, Westgate Planet Hollywood Las Vegas, LLC ("WPH"), relate to unresolved owner change orders and other claims. The Company filed a lien on the project on April 8, 2010 in the amount of $19.3 million, and filed its complaint on May 10, 2010 with the District Court, Clark County, Nevada. Included in the Company's receivables are pass-through subcontractor billings for contract work and retention of approximately $12 million. Several subcontractors have also recorded liens, some of which have been released by bonds and some of which have been released as a result of subsequent payment.

WPH filed a cross-complaint alleging non-conforming and defective work for approximately $40 million, primarily related to alleged defects, misallocated costs, and liquidated damages. Some or all of the allegations will be defended by counsel appointed by Tutor-Saliba's insurance carrier. Westgate has posted a mechanic's lien release bond for $22.3 million. The Company does not expect this matter to have any material adverse effect on its consolidated financial statements.

Management has made an estimate of the total anticipated recovery on this project and it is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the financial statements at that time.

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For the Years Ended December 31, 2010, 2009 and 2008
(Continued)

[8] Contingencies and Commitments (continued)

100th Street Bus Depot Matter

The Company constructed the 100th Street Bus Depot for the New York City Transit Authority ("NYCTA") in New York. Prior to receiving notice of final acceptance from the NYCTA, this project experienced a failure of the brick façade on the building due to faulty subcontractor work. The Company has not yet received notice of final acceptance of this project from the NYCTA. The Company contends defective structural installation by the Company's steel subcontractor caused or was a causal factor of the brick façade failure.

The Company has tendered its claim to the NYCTA Owner Controlled Insurance Program ("OCIP") and to Chartis Claims, Inc., its insurance carrier. Coverage was denied in January 2011. The OCIP and general liability carriers have filed a declaratory relief action against the Company seeking court determination that no coverage is afforded under their policies. The Company believes it has legal entitlement to recover costs under the policies and intends to defend its claim and to pursue a cross-complaint against the carriers for breach of contract and appropriate associated causes of action.

Management has made an estimate of the total anticipated recovery on this project and it is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the financial statements at that time.

[9] Capital Stock

(a) Common Stock
On September 8, 2008, the Company's shareholders approved an increase in the number of authorized shares of common stock from 40 million shares to 75 million shares. On the same day, the Company acquired all of the outstanding shares of Tutor-Saliba in exchange for 22,987,293 shares of the Company's common stock. These shares are subject to certain liquidation restrictions contained in a shareholders agreement between Mr. Tutor, the Company and other former Tutor-Saliba shareholders. As of December 31, 2010, Mr. Tutor had beneficial ownership of approximately 14.7 million shares of the Company's common stock.

(b) Common Stock Repurchase Program
On March 19, 2010, the Company's Board of Directors extended the common stock repurchase program put into place on November 13, 2008. The program allows the Company to repurchase up to $100 million of its common stock through March 31, 2011. Under the terms of the program, the Company may repurchase shares in open market purchases or through privately negotiated transactions. The timing and amount of any repurchase will be based on management's evaluation of market conditions, business considerations and other factors. The Company expects to use cash on hand to fund any repurchases of its common stock. Stock repurchases will be conducted in compliance with the safe harbor provisions of Rule 10b-18 under the Securities Exchange Act of 1934, as amended. Repurchases also may be made under a 10b5-1 plan which permits common stock to be repurchased when the Company would otherwise be prohibited from doing so under insider trading laws. The share repurchase program does not obligate the Company to repurchase any dollar amount or number of shares of its common stock, and the program may be extended, modified, suspended or discontinued at any time, at the Company's discretion.

During 2010, the Company repurchased 2,164,840 shares under the program for an aggregate purchase price of $39.4 million. There were no repurchases made during 2009. During 2008, the Company repurchased 2,003,398 shares under the program for an aggregate purchase price of $31.8 million. Accordingly, there was $28.8 million remaining under the program as of December 31, 2010.

(c) Preferred Stock
The Company is authorized to issue 1,000,000 shares of preferred stock. At December 31, 2010 and 2009, there were no preferred shares issued and outstanding.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2010, 2009 and 2008
(Continued)

[10] Stock-Based Compensation

(a) 2004 Stock Option and Incentive Plan
The Company is authorized to grant up to 5,500,000 stock-based compensation awards to key executives, employees and directors of the Company under the 2004 Stock Option and Incentive Plan (the "Plan"). The Plan allows stock-based compensation awards to be granted in a variety of forms, including stock options, stock appreciation rights, restricted stock awards, unrestricted stock awards, deferred stock awards and dividend equivalent rights. The terms and conditions of the awards granted are established by the Compensation Committee of the Company's Board of Directors who also administers the Plan.

The Company recognized total compensation expense of $12.8 million, $12.5 million and $12.1 million in 2010, 2009 and 2008, respectively, related to stock-based compensation awards which is included in "General and Administrative Expenses" in the Consolidated Statements of Operations. Income tax benefits of $4.5 million, $4.2 million and $4.6 million in 2010, 2009 and 2008, respectively, have been recognized relating to these awards. A total of 263,828 shares of common stock are available for future grant under the Plan at December 31, 2010.

Restricted Stock Awards
Restricted stock awards generally vest subject to the satisfaction of service requirements or the satisfaction of both service requirements and achievement of certain pre-established pre-tax income performance targets. Upon vesting, each award is exchanged for one share of the Company's common stock. As of December 31, 2010, the Compensation Committee has approved the grant of an aggregate of 3,952,500 restricted stock awards to eligible participants. During 2010, the Compensation Committee approved the award of 210,000 restricted stock units. Subject to the achievement of pre-tax income performance targets established by the Compensation Committee, the awards will vest in equal annual installments (or tranches). The 25,000 restricted stock units granted during the first quarter of 2010 will vest in three equal annual installments from 2011 through 2013. The 185,000 restricted stock units granted during the fourth quarter of 2010 will vest in three equal annual installments from 2012 through 2014. The Compensation Committee has established the pre-tax performance target for fiscal year 2010, but has not yet established pre-tax performance targets for the fiscal years 2011 through 2013. Therefore, the grant dates for the last two tranches of the awards granted in the first quarter and all three tranches of the awards granted in the fourth quarter, totaling an aggregate of 201,667 shares, have not been established for accounting purposes and, accordingly, the grant date fair values of these tranches cannot be determined currently. The grant dates for these tranches will be established in the future when the Compensation Committee establishes the respective pre-tax performance targets for each tranche. The grant date fair values of each tranche will be determined at that time and the related compensation expense for each tranche will be amortized over the separate requisite service period for each tranche.

During 2009, the Compensation Committee approved the award of 975,000 restricted stock units. Subject to the achievement of pre-tax income performance targets established by the Compensation Committee, the awards will vest in equal annual installments (or tranches). The 75,000 restricted stock units granted during the first quarter of 2009 vest in three equal annual installments from 2010 through 2012. The 750,000 restricted stock units granted during the second quarter of 2009 vest in five equal annual installments from 2010 through 2014. The 150,000 restricted stock units granted during the third quarter of 2009 vest in three equal annual installments from 2010 through 2012. The Compensation Committee has established the pre-tax performance target for fiscal year 2010, but has not yet established pre-tax performance targets for the fiscal years 2011 through 2013. Therefore, the grant dates for the last three tranches of the awards granted in the second quarter of 2009 and the last tranche of the awards granted in the third quarter of 2009, totaling an aggregate of 500,000 shares, have not been established for accounting purposes and, accordingly, the grant date fair values of these tranches cannot be determined currently. The grant dates for these tranches will be established in the future when the Compensation Committee establishes the respective pre-tax performance targets for each tranche. The grant date fair values of each tranche will be determined at that time and the related compensation expense for each tranche will be amortized over the separate requisite service period for each tranche.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2010, 2009 and 2008
(Continued)

[10] Stock-Based Compensation (continued)

(a) 2004 Stock Option and Incentive Plan (continued)

During 2008, the Company granted 1,122,500 restricted stock awards. The awards granted in 2010, 2009 and 2008 had a weighted-average grant date fair value of $20.44, $20.71, and $22.79, respectively.

The grant date fair value is determined based on the closing price of the Company's common stock on the date of grant.

The Company recognized compensation expense of $9.5 million, $9.8 million and $11.6 million in 2010, 2009 and 2008, respectively, related to the restricted stock awards which is included in "General and Administrative Expenses". As of December 31, 2010, there was $12.9 million of unrecognized compensation cost related to the unvested awards which, absent significant forfeitures in the future, is expected to be recognized over a weighted-average period of approximately 2.6 years.

A summary of restricted stock awards activity during the year ended December 31, 2010 is as follows:

	Number of Shares	Weighted-Average Grant Date Fair Value	Aggregate Intrinsic Value
Unvested - January 1, 2010	1,717,501	$ 24.05	$ 31,052,418
Vested	(660,001)	27.84	12,916,969
Granted	208,333	20.44	4,460,410
Forfeited	(45,000)	20.12	
	1,220,833	21.62	26,138,035
Approved for grant	701,667	(a)	15,022,690
Unvested - December 31, 2010	1,922,500	n.a.	41,160,725

(a) Grant date fair value cannot be determined currently because the related performance targets for future years have not yet been established by the Compensation Committee.

The outstanding unvested awards at December 31, 2010 are scheduled to vest as follows, subject where applicable to the achievement of performance targets. As described above, certain performance targets have not yet been established.

Vesting Date	Number of Awards
2011	233,333
2012	294,998
2013	1,182,500
2014	211,669
Total	1,922,500

Approximately 100,000 of the unvested awards will vest based on the satisfaction of service requirements and 1,822,500 will vest based on the satisfaction of both service requirements and the achievement of pre-tax income performance targets. The aggregate fair value of restricted stock awards vested in 2009 and 2008 was $9.0 million and $11.8 million, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2010, 2009 and 2008
(Continued)

[10] Stock-Based Compensation (continued)

(a) 2004 Stock Option and Incentive Plan (continued)

Stock Options
During 2009, the Compensation Committee approved the award of 750,000 stock options. Subject to the achievement of pre-tax income performance targets established by the Compensation Committee, the awards will vest in five equal annual installments (or tranches) from 2010 through 2014. The Compensation Committee has established the pre-tax performance target for fiscal year 2010, but has not yet established pre-tax performance targets for the fiscal years 2011 through 2013. Therefore, the grant dates for the last three tranches of the awards granted in 2009, totaling an aggregate of 450,000 shares, have not been established for accounting purposes and, accordingly, the grant date fair values of these tranches cannot be determined currently. The grant dates for these tranches will be established in the future when the Compensation Committee establishes the respective pre-tax performance targets for each tranche. The grant date fair values of each tranche will be determined at that time and the related compensation expense for each tranche will be amortized over the separate requisite service period for each tranche.

During 2008, the Compensation Committee granted 805,000 stock options under the Plan to eligible participants. The options vest and become exercisable on the fifth anniversary of the grant date upon completion of a service requirement. The options expire ten years from the date of grant.

The exercise price of the options is equal to the closing price of the Company's common stock on the date the awards were approved by the Compensation Committee. The options expire on May 28, 2019.

The Company recognized compensation expense of $3.3 million, $2.7 million and $0.5 million in 2010, 2009 and 2008, respectively, related to stock option grants which is included in "General and Administrative Expenses". As of December 31, 2010, there was $5.1 million of unrecognized compensation cost related to the outstanding options which, absent significant forfeitures in the future, is expected to be recognized over a weighted-average period of approximately 2.7 years.

A summary of stock option activity under the Plan during the year ended December 31, 2010 is as follows:

		Weighted Average	
	Number of Shares	Grant Date Fair Value	Exercise Price
Outstanding - January 1, 2010	935,000	$ 11.42	$ 20.51
Granted	150,000	9.79	20.33
Forfeited	(45,000)	11.46	20.12
Subtotal	1,040,000	11.18	20.50
Approved for grant	450,000	(a)	20.33
Outstanding - December 31, 2010	1,490,000	n.a.	20.45

(a) Grant date fair value cannot be determined currently because the related performance targets for future years have not yet been established by the Compensation Committee.

Approximately 740,000 of the outstanding options will vest based on the satisfaction of service requirements and 750,000 will vest based on the satisfaction of both service requirements and the achievement of pre-tax income performance targets.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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(Continued)

[10] Stock-Based Compensation (continued)

(a) 2004 Stock Option and Incentive Plan (continued)

The outstanding options had an intrinsic value of approximately $3.0 million and a weighted-average remaining contractual life of 7.9 years at December 31, 2010. There were 150,000 outstanding options exercisable at December 31, 2010 at a weighted average exercise price of $20.33 per share.

During 2010, the Compensation Committee established the related performance target for the second tranche of the stock option awards approved in 2009. The fair value of the second tranche of the 2009 awards, amounting to 150,000 options, was determined using the Black-Scholes-Merton option pricing model using the following key assumptions:

Risk-free interest rates		2.65%
Expected life of options		5.7 years
Expected volatility of underlying stock		48.38%
Expected quarterly dividends (per share)	$	0.00

During 2009, the Compensation Committee established the related performance target for the initial tranche of the stock option awards approved in 2009. The fair value of the initial tranche of the 2009 awards, amounting to 150,000 options, was determined using the Black-Scholes-Merton option pricing model using the following key assumptions:

Risk-free interest rates		2.65%
Expected life of options		5.5 years
Expected volatility of underlying stock		51.11%
Expected quarterly dividends (per share)	$	0.00

(b) Special Equity Incentive Plan

The Company was authorized to grant up to 3,000,000 non-qualified stock options to key executives, employees and directors of the Company under the Special Equity Incentive Plan (the "Special Equity Plan"). No options were granted under the Special Equity Plan in 2010, 2009 or 2008. In accordance with its provisions, the Special Equity Plan terminated on May 25, 2010; however, it continued to govern any then outstanding unexercised and unexpired options. During 2010, 15,000 options were exercised with an intrinsic value of $0.2 million and a weighted average exercise price of $4.50 per share. During 2009, 7,500 stock options were exercised with an intrinsic value of $0.1 million and a weighted average exercise price of $4.50 per share. There were no options exercised in 2008. As of December 31, 2010, there were no outstanding options under the Special Equity Plan.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2010, 2009 and 2008
(Continued)

[11] Unaudited Quarterly Financial Data

The following table sets forth unaudited quarterly financial data for the years ended December 31, 2010 and 2009 (in thousands, except per share amounts):

	2010 by Quarter			
	1st	2nd	3rd	4th
Revenues	$ 865,075	$ 914,376	$ 731,806	$ 687,953
Gross profit	76,133	98,912	90,670	72,133
Net income	20,933	32,725	30,933	18,909
Basic earnings per common share	$ 0.43	$ 0.67	$ 0.65	$ 0.40
Diluted earnings per common share	$ 0.42	$ 0.66	$ 0.65	$ 0.40

	2009 by Quarter			
	1st	2nd	3rd	4th
Revenues	$ 1,518,282	$ 1,382,748	$ 1,168,769	$ 1,082,167
Gross profit	106,910	108,213	85,366	87,558
Net income	38,981	38,897	26,684	32,499
Basic earnings per common share	$ 0.80	$ 0.80	$ 0.55	$ 0.67
Diluted earnings per common share	$ 0.80	$ 0.79	$ 0.54	$ 0.66

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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(Continued)

[12] Business Segments

During 2010, the Company's chief operating decision maker was the Chairman and Chief Executive Officer who decides how to allocate resources and assess performance of the business segments. Generally, the Company evaluates performance of its operating segments on the basis of income from operations and cash flow.

During 2009, the Company completed a reorganization which resulted in the reallocation of goodwill between reportable segments. The following tables set forth certain business and geographic segment information relating to the Company's operations for each of the three years in the period ended December 31, 2010 (in thousands).

	Reportable Segments					
	Building	Civil	Management Services	Totals	Corporate	Consolidated Total
2010						
Revenues	$ 2,326,980	$ 667,704	$ 204,526	$ 3,199,210	$ -	$ 3,199,210
Income from Construction Operations	95,857	87,782	22,153	205,792	(33,480) (a)	172,312
Assets	1,192,399	660,201	147,921	2,000,521	778,699 (b)	2,779,220
Capital Expenditures	4,074	25,741	1,997	31,812	1,108	32,920
2009						
Revenues	$ 4,484,937	$ 361,677	$ 305,352	$ 5,151,966	$ -	$ 5,151,966
Income from Construction Operations	155,500	44,268	53,447	253,215	(41,672) (a)	211,543
Assets	1,580,735	562,728	293,177	2,436,640	384,014 (b)	2,820,654
Capital Expenditures	19,671	13,624	5	33,300	9,439	42,739
2008						
Revenues	$ 5,146,563	$ 310,722	$ 203,001	$ 5,660,286	$ -	$ 5,660,286
Income (loss) from Construction Operations:						
Before Impairment Charge	151,797	28,115	41,459	221,371	(22,139) (a)	199,232
Impairment Charge	(197,627)	(6,000)	(20,851)	(224,478)	-	(224,478)
After Impairment Charge	(45,830)	22,115	20,608	(3,107)	(22,139)	(25,246)
Assets	1,743,547	602,436	178,201	2,524,184	548,894 (b)	3,073,078
Capital Expenditures	20,490	18,359	2,309	41,158	53,050	94,208

(a) Consists of corporate general and administrative expenses.

(b) Consists principally of cash and cash equivalents, corporate transportation equipment, net deferred tax asset, and other investments available for general corporate purposes.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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(Continued)

[12] Business Segments (continued)

Revenues from The Cosmopolitan project Las Vegas, Nevada for Deutsche Bank in the building segment totaled approximately $518 million (or 16% of total revenues) in 2010. Revenues from the McCarran Airport Terminal 3 project Las Vegas, Nevada for the Clark County Department of Aviation in the building segment totaled approximately $515 million (or 15% of total revenues) in 2010. Revenues from Project CityCenter in Las Vegas, Nevada for MGM MIRAGE in the building segment totaled approximately $1,968 million (or 38% of total revenues) in 2009 and $2,263 million (or 40% of total revenues) in 2008.

Information concerning principal geographic areas is as follows (in thousands):

	Revenues		
	2010	2009	2008
United States	$ 3,037,940	$ 4,853,477	$ 5,464,944
Foreign and U.S. Territories	161,270	298,489	195,342
Total	$ 3,199,210	$ 5,151,966	$ 5,660,286

	Income (Loss) from Construction Operations		
	2010	2009	2008
United States	$ 182,193	$ 202,852	$ 181,739
Foreign and U.S. Territories	23,599	50,363	39,632
Corporate	(33,480)	(41,672)	(22,139)
Goodwill and intangible asset impairment	-	-	(224,478)
Total	$ 172,312	$ 211,543	$ (25,246)

	Assets		
	2010	2009	2008
United States	$ 2,610,848	$ 2,665,513	$ 2,934,381
Foreign and U.S. Territories	168,372	155,141	138,697
Total	$ 2,779,220	$ 2,820,654	$ 3,073,078

Income from construction operations has been allocated geographically based on the location of the job site.

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For the Years Ended December 31, 2010, 2009 and 2008
(Continued)

[13] Related Party Transactions

The Company leases certain facilities from Ronald N. Tutor, the Company's chairman and chief executive officer, and an affiliate owned by Mr. Tutor under non-cancelable operating lease agreements with monthly payments of $0.2 million, which increase at 3% per annum beginning August 1, 2009 and expire on July 31, 2016. Lease expense for these leases, recorded on a straight-line basis, was $2.3 million for each of the years ended December 31, 2010 and 2009.

The Vice Chairman of O&G Industries, Inc. ("O&G") is a director of the Company. O&G occasionally participates in joint ventures with the Company. No revenues were earned from such joint ventures during 2010. The Company's share of revenues related to these joint ventures amounted to $1.2 million (or less than 1%) and $6.1 million (or less than 1%) of the Company's consolidated revenues in 2009 and 2008, respectively. As of December 31, 2010, the Company has a 30% interest in a joint venture with O&G as the sponsor for a highway reconstruction project with an estimated total contract value of approximately $357 million. The Company's participation in this joint venture was reviewed and approved by the Audit Committee of the Board of Directors of the Company in accordance with the Company's policy. The cumulative holdings of O&G as of December 31, 2010, 2009 and 2008 was 600,000 shares, or 1.27% of total common shares outstanding at December 31, 2010.

On May 28, 2009, the Board of Directors of the Company approved a one-time cash payment of $3 million to Mr. Tutor, for his agreement to personally guarantee certain surety bond obligations related to a significant construction project awarded to the Company in July 2008. The Company made the payment in June 2009. Mr. Tutor was required by the surety companies to enter into this guaranty for the benefit of the Company in connection with the award of the project. Mr. Tutor has agreed to remain as guarantor until the project is completed. In determining the appropriate fee to pay Mr. Tutor for this guaranty, the Board of Directors considered information about market rates for third-party guaranty fees.

[14] Separate Financial Information of Subsidiary Guarantors of Indebtedness

As discussed in Note 4, the Company's obligation to pay principal and interest on its 7.625% senior unsecured notes due November 1, 2018 (the "Notes") is guaranteed on a joint and several basis by substantially all of the Company's existing and future subsidiaries that guarantee obligations under the Company's Amended Credit Agreement, with certain exceptions (the "Guarantors"). The guarantees are full and unconditional and the Guarantors are 100%-owned by the Company. The following supplemental condensed consolidating financial information reflects the summarized financial information of the Company, the Guarantors and the Company's non-guarantor subsidiaries on a combined basis.

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(Continued)

CONDENSED CONSOLIDATING BALANCE SHEET - DECEMBER 31, 2010
(In Thousands)

	Tutor Perini Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total Consolidated
ASSETS					
Cash and Cash Equivalents	$ 222,156	$ 220,086	$ 29,136	$ -	$ 471,378
Restricted Cash	23,550	-	-	-	23,550
Accounts Receivable	116,718	802,059	643	(38,806)	880,614
Costs and Estimated Earnings in Excess of Billings	83,337	55,960	152	-	139,449
Deferred Income Taxes	3,515	222	-	-	3,737
Other Current Assets	9,833	22,784	9,993	(296)	42,314
Total Current Assets	459,109	1,101,111	39,924	(39,102)	1,561,042
Long-term Investments	88,129	-	-	-	88,129
Property and Equipment, net	44,065	312,965	5,407	-	362,437
Intercompany Notes and Receivables	(4,331)	565,701	(5,196)	(556,174)	-
Other Assets:					
Goodwill	-	621,920	-	-	621,920
Intangible Assets, net	-	132,551	-	-	132,551
Investment in Subsidiaries	1,696,321	-	-	(1,696,321)	-
Other	8,015	4,751	375	-	13,141
	$ 2,291,308	$ 2,738,999	$ 40,510	$ (2,291,597)	$ 2,779,220
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current Maturities of Long-term Debt	$ 6,198	$ 15,136	$ -	$ -	$ 21,334
Accounts Payable	48,139	643,462	747	(38,806)	653,542
Billings in Excess of Costs and Estimated Earnings	20,424	179,293	33	-	199,750
Accrued Expenses	17,880	60,267	15,637	(296)	93,488
Total Current Liabilities	92,641	898,158	16,417	(39,102)	968,114
Long-term Debt, less current maturities	316,113	58,237	-	-	374,350
Deferred Income Taxes	78,525	557	-	-	79,082
Other Long-term Liabilities	36,121	8,559	-	-	44,680
Contingencies and Commitments					
Intercompany Notes and Advances Payable	454,914	86,188	15,072	(556,174)	-
Stockholders' Equity:					
Common Stock	47,090	1,423	251	(1,674)	47,090
Additional Paid-in Capital	985,413	205,232	100	(205,332)	985,413
Retained Earnings	(288,745)	1,480,652	8,670	(884,046)	316,531
Equity in Retained Earnings of Subsidiaries Since Date of Acquisition	605,512	-	-	(605,512)	-
Accumulated Other Comprehensive Loss	(36,276)	(7)	-	243	(36,040)
Total Stockholders' Equity	1,312,994	1,687,300	9,021	(1,696,321)	1,312,994
	$ 2,291,308	$ 2,738,999	$ 40,510	$ (2,291,597)	$ 2,779,220

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2010, 2009 and 2008
(Continued)

CONDENSED CONSOLIDATING BALANCE SHEET - DECEMBER 31, 2009
(In Thousands)

	Tutor Perini Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total Consolidated
ASSETS					
Cash and Cash Equivalents	$ 266,171	$ 58,388	$ 23,750	$ -	$ 348,309
Accounts Receivable	77,692	1,055,602	643	(45,551)	1,088,386
Costs and Estimated Earnings in Excess of Billings	78,743	66,783	152	-	145,678
Deferred Income Taxes	1,224	146	-	-	1,370
Intercompany Notes and Receivables	-	368,987	-	(368,987)	-
Other Current Assets	13,264	16,320	1,227	-	30,811
Total Current Assets	437,094	1,566,226	25,772	(414,538)	1,614,554
Long-term Investments	101,201	-	-	-	101,201
Property and Equipment, net	41,376	301,980	5,465	-	348,821
Intercompany Notes and Receivables	-	467,748	147	(467,895)	-
Other Assets:					
Goodwill	-	602,471	-	-	602,471
Intangible Assets, net	-	134,327	-	-	134,327
Investment in Subsidiaries	1,576,561	-	-	(1,576,561)	-
Other	1,932	17,203	145	-	19,280
	$ 2,158,164	$ 3,089,955	$ 31,529	$ (2,458,994)	$ 2,820,654
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current Maturities of Long-term Debt	$ 9,899	$ 15,875	$ 5,560	$ -	$ 31,334
Accounts Payable	25,607	1,010,211	284	(45,551)	990,551
Billings in Excess of Costs and Estimated Earnings	4,507	183,173	34	-	187,714
Intercompany Notes and Advances Payable	368,987	-	-	(368,987)	-
Accrued Expenses	1,314	84,649	15,874	-	101,837
Total Current Liabilities	410,314	1,293,908	21,752	(414,538)	1,311,436
Long-term Debt, less current maturities	19,131	65,640	-	-	84,771
Deferred Income Taxes	78,336	641	-	-	78,977
Other Long-term Liabilities	31,719	25,325	-	-	57,044
Contingencies and Commitments					
Intercompany Notes and Advances Payable	330,238	134,016	3,641	(467,895)	-
Stockholders' Equity:					
Common Stock	48,539	2,082	251	(2,333)	48,539
Additional Paid-in Capital	1,012,983	205,232	100	(205,332)	1,012,983
Retained Earnings	(253,748)	1,364,006	5,785	(855,922)	260,121
Equity in Retained Earnings of Subsidiaries Since Date of Acquisition	513,875	(658)	-	(513,217)	-
Accumulated Other Comprehensive Loss	(33,223)	(237)	-	243	(33,217)
Total Stockholders' Equity	1,288,426	1,570,425	6,136	(1,576,561)	1,288,426
	$ 2,158,164	$ 3,089,955	$ 31,529	$ (2,458,994)	$ 2,820,654

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2010, 2009 and 2008
(Continued)

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2010
(In Thousands)

	Tutor Perini Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total Consolidated
Revenues	$ 467,259	$ 2,830,896	$ (1)	$ (98,944)	$ 3,199,210
Cost of Operations	372,737	2,593,529	(5,960)	(98,944)	2,861,362
Gross Profit	94,522	237,367	5,959	-	337,848
General and Administrative Expenses	50,020	114,383	1,133	-	165,536
INCOME FROM CONSTRUCTION OPERATIONS	44,502	122,984	4,826	-	172,312
Equity in Earnings of Subsidiaries	80,606	-	-	(80,606)	-
Other Income (Expense), net	(1,544)	(690)	(46)	-	(2,280)
Interest Expense	(7,727)	(2,499)	(338)	-	(10,564)
Income before Income Taxes	115,837	119,795	4,442	(80,606)	159,468
Provision for Income Taxes	(12,337)	(42,072)	(1,559)	-	(55,968)
NET INCOME	$ 103,500	$ 77,723	$ 2,883	$ (80,606)	$ 103,500

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2009
(In Thousands)

	Tutor Perini Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total Consolidated
Revenues	$ 161,056	$ 5,200,108	$ -	$ (209,198)	$ 5,151,966
Cost of Operations	130,891	4,849,166	(6,940)	(209,198)	4,763,919
Gross Profit	30,165	350,942	6,940	-	388,047
General and Administrative Expenses	52,999	123,064	441	-	176,504
INCOME (LOSS) FROM CONSTRUCTION OPERATIONS	(22,834)	227,878	6,499	-	211,543
Equity in Earnings of Subsidiaries	142,849	-	-	(142,849)	-
Other Income (Expense), net	78	1,007	13	-	1,098
Interest Expense	(3,191)	(3,798)	(512)	-	(7,501)
Income (Loss) before Income Taxes	116,902	225,087	6,000	(142,849)	205,140
(Provision) Credit for Income Taxes	20,159	(86,218)	(2,020)	-	(68,079)
NET INCOME	$ 137,061	$ 138,869	$ 3,980	$ (142,849)	$ 137,061

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2010, 2009 and 2008
(Continued)

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2008
(In Thousands)

	Tutor Perini Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total Consolidated
Revenues	$ 152,495	$ 5,587,455	$ 708	$ (80,372)	$ 5,660,286
Cost of Operations	135,433	5,274,646	(2,651)	(80,372)	5,327,056
Gross Profit	17,062	312,809	3,359	-	333,230
General and Administrative Expenses	34,025	99,992	(19)	-	133,998
Goodwill and Intangible Asset Impairment	-	224,478	-	-	224,478
INCOME (LOSS) FROM CONSTRUCTION OPERATIONS	(16,963)	(11,661)	3,378	-	(25,246)
Equity in Loss of Subsidiaries	(67,618)	-	-	67,618	-
Other Income (Expense), net	9,548	(1)	12	-	9,559
Interest Expense	(1,270)	(2,356)	(537)	-	(4,163)
Income (Loss) before Income Taxes	(76,303)	(14,018)	2,853	67,618	(19,850)
(Provision) Credit for Income Taxes	1,163	(55,522)	(931)	-	(55,290)
NET INCOME (LOSS)	$ (75,140)	$ (69,540)	$ 1,922	$ 67,618	$ (75,140)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2010, 2009 and 2008
(Continued)

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2010
(In Thousands)

	Tutor Perini Corporation	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	Total Consolidated
Cash Flows from Operating Activities:					
Net income	$ 103,500	$ 77,723	$ 2,883	$ (80,606)	$ 103,500
Adjustments to reconcile net income to net cash from operating activities:					
Depreciation and amortization	5,281	25,761	292	-	31,334
Equity in earnings of subsidiaries	(80,606)	-	-	80,606	-
Stock-based compensation expense	12,752	-	-	-	12,752
Adjustment of investments to fair value	5,520	222	-	-	5,742
Excess income tax benefit from stock-based compensation	(218)	-	-	-	(218)
Deferred income taxes	(3,705)	(121)	-	-	(3,826)
Loss on sale of assets, net	381	893	-	-	1,274
Other assets	(12)	(74)	-	-	(86)
Other long-term liabilities	10,662	(15,285)	-	-	(4,623)
Changes in other components of working capital	5,869	(116,505)	(8,941)	-	(119,577)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 59,424	$ (27,386)	$ (5,766)	$ -	$ 26,272
Cash Flows from Investing Activities:					
Acquisition of Superior Gunite, net of cash balance acquired	(30,924)	-	-	-	(30,924)
Business acquisition related payments	(3,000)	(3,734)	-	-	(6,734)
Acquisition of property and equipment	(6,186)	(18,781)	(233)	-	(25,200)
Proceeds from sale of property and equipment	2	1,809	-	-	1,811
Proceeds from sale of available-for-sale securities	7,066	-	-	-	7,066
Change in restricted cash	(23,550)	-	-	-	(23,550)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	$ (56,592)	$ (20,706)	$ (233)	$ -	$ (77,531)
Cash Flows from Financing Activities:					
Proceeds from issuance of senior unsecured notes, net of debt discount	297,774	-	-	-	297,774
Proceeds from other debt	2,463	4,340	-	-	6,803
Repayment of other long-term debt	(13,126)	(17,246)	(5,388)	-	(35,760)
Purchase of common stock under share repurchase program	(39,391)	-	-	-	(39,391)
Common stock dividend paid	(47,090)	-	-	-	(47,090)
Excess income tax benefit from stock-based compensation	218	-	-	-	218
Issuance of common stock and effect of cashless exercise	(325)	-	-	-	(325)
Debt issuance costs	(7,901)	-	-	-	(7,901)
Increase (decrease) in intercompany advances	(239,469)	222,696	16,773	-	-
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	$ (46,847)	$ 209,790	$ 11,385	$ -	$ 174,328
Net Increase (Decrease) in Cash and Cash Equivalents	(44,015)	161,698	5,386	-	123,069
Cash and Cash Equivalents at Beginning of Year	266,171	58,388	23,750	-	348,309
Cash and Cash Equivalents at End of Year	$ 222,156	$ 220,086	$ 29,136	$ -	$ 471,378

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2010, 2009 and 2008
(Continued)

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2009
(In Thousands)

	Tutor Perini Corporation	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	Total Consolidated
Cash Flows from Operating Activities:					
Net income	$ 137,061	$ 138,869	$ 3,980	$ (142,849)	$ 137,061
Adjustments to reconcile net income (loss) to net cash from operating activities:					
Depreciation and amortization	4,890	33,292	325	-	38,507
Equity in earnings of subsidiaries	(142,849)	-	-	142,849	-
Stock-based compensation expense	12,462	-	-	-	12,462
Adjustment of investments to fair value	(22)	(17)	-	-	(39)
Excess income tax benefit from stock-based compensation	(28)	-	-	-	(28)
Deferred income taxes	(9,697)	(844)	-	-	(10,541)
Loss on sale of assets, net	6	958	-	-	964
Other long-term liabilities	(3,482)	(32,802)	-	-	(36,284)
Distributions greater (less) than earnings of joint ventures	(15,314)	(731)	-	16,045	-
Changes in other components of working capital	(69,489)	(105,473)	10,220	(3,407)	(168,149)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ (86,462)	$ 33,252	$ 14,525	$ 12,638	$ (26,047)
Cash Flows from Investing Activities:					
Acquisition of Keating Building Co., net of cash balance acquired	(6,900)	-	-	-	(6,900)
Acquisition of property and equipment	(7,804)	(29,201)	-	-	(37,005)
Proceeds from sale of property and equipment	11	1,862	-	-	1,873
Proceeds from sale of land held for sale, net	-	203	-	-	203
Proceeds from sale of available-for-sale securities	3,600	41	-	-	3,641
Capital contributions from joint ventures	11,977	1,592	-	(13,569)	-
Investment in other activities	(299)	(2,274)	(125)	-	(2,698)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	$ 585	$ (27,777)	$ (125)	$ (13,569)	$ (40,886)
Cash Flows from Financing Activities:					
Proceeds from long-term debt	135,482	44,700	-	-	180,182
Repayment of long-term debt	(134,733)	(15,598)	(294)	-	(150,625)
Proceeds from exercise of common stock options and stock purchase warrants	34	-	-	-	34
Excess income tax benefit from stock-based compensation	28	-	-	-	28
Issuance of common stock and effect of cashless exercise	139	-	-	-	139
Deferred debt costs	(688)	-	-	-	(688)
Increase (decrease) in intercompany advances	152,112	(154,786)	1,743	931	-
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	$ 152,374	$ (125,684)	$ 1,449	$ 931	$ 29,070
Net Increase (Decrease) in Cash and Cash Equivalents	66,497	(120,209)	15,849	-	(37,863)
Cash and Cash Equivalents at Beginning of Year	199,674	178,597	7,901	-	386,172
Cash and Cash Equivalents at End of Year	$ 266,171	$ 58,388	$ 23,750	$ -	$ 348,309

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2010, 2009 and 2008
(Continued)

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2008

	Tutor Perini Corporation	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	Total Consolidated
Cash Flows from Operating Activities:					
Net income (loss)	$ (75,140)	$ (69,540)	$ 1,922	$ 67,618	$ (75,140)
Adjustments to reconcile net income (loss) to net cash from operating activities:					
Goodwill and intangible asset Impairment	-	224,478	-	-	224,478
Equity in loss of subsidiaries	67,618	-	-	(67,618)	-
Depreciation and amortization	1,489	25,772	335	-	27,596
Stock-based compensation expense	12,145	-	-	-	12,145
Adjustment of investments to fair value	2,623	98	-	-	2,721
Excess income tax benefit from stock-based compensation	(533)	-	-	-	(533)
Deferred income taxes	(8,206)	222	-	-	(7,984)
(Gain) loss on sale of assets, net	(2,182)	1,114	-	-	(1,068)
Increase in other long-term liabilities	(1,676)	9,257	-	-	7,581
Distributions greater (less) than earnings of joint ventures	11,211	4,320	-	(15,531)	-
Changes in other components of working capital	(16,260)	(63,338)	4,787	11,069	(63,742)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ (8,911)	$ 132,383	$ 7,044	$ (4,462)	$ 126,054
Cash Flows from Investing Activities:					
Cash balance recorded in merger with Tutor-Saliba Corporation, net of transaction costs	92,081	-	-	-	92,081
Acquisition of property and equipment	(2,357)	(64,282)	(128)	-	(66,767)
Proceeds from sale of property and equipment	2,597	4,100	-	-	6,697
Investment in available-for-sale securities	(218,482)	157	-	-	(218,325)
Proceeds from sale of available-for-sale securities	115,856	-	-	-	115,856
Capital contributions (to) from joint ventures	(4,913)	450	-	4,463	-
Investment in other activities	(1,033)	(581)	-	-	(1,614)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	$ (16,251)	$ (60,156)	$ (128)	$ 4,463	$ (72,072)
Cash Flows from Financing Activities:					
Proceeds from long-term debt	2,213	-	-	-	2,213
Repayment of long-term debt	(3,525)	(34,901)	(270)	-	(38,696)
Repayment of shareholder notes payable	-	(58,485)	-	-	(58,485)
Purchase of common stock under repurchase program	(31,797)	-	-	-	(31,797)
Excess income tax benefit from stock-based compensation	533	-	-	-	533
Issuance of common stock and effect of cashless exercise	(634)	-	350	-	(284)
Deferred debt costs	(482)	-	-	-	(482)
Increase (decrease) in intercompany advances	(81,625)	(24,013)	646	104,992	-
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	$ (115,317)	$ (117,399)	$ 726	$ 104,992	$ (126,998)
Net Increase (Decrease) in Cash and Cash Equivalents	(140,479)	(45,172)	7,642	104,993	(73,016)
Cash and Cash Equivalents at Beginning of Year	378,002	185,919	260	(104,993)	459,188
Cash and Cash Equivalents at End of Year	$ 237,523	$ 140,747	$ 7,902	$ -	$ 386,172

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2010, 2009 and 2008
(Continued)

[15] Acquisitions

On November 1, 2010, the Company completed the acquisition of Superior Gunite, a California-based privately held construction company specializing in pneumatically placed structural concrete and certain related companies (collectively, "Superior"). Under the terms of the transaction, the Company acquired 100% of the stock of Superior for a purchase price of $35.8 million in cash, including a post-closing adjustment based on the net worth of Superior at closing, plus additional consideration in the form of an earn-out based on Superior's fiscal 2011 through 2013 operating results. The Company believes that the acquisition of Superior will provide it with a strong strategic fit, enabling the Company to achieve greater vertical integration by increasing the percentage of self-performed work. Goodwill of $18.3 million was recorded in conjunction with this acquisition. The acquisition of Superior did not have a material effect on the Company's results of operations, financial condition or cash flows.

On January 15, 2009, the Company completed its acquisition of all of the outstanding capital stock of Daniel J. Keating Construction Company, d/b/a Keating Building Company ("Keating"), for total consideration of $51.1 million. Keating provides building construction general contracting services to both government agencies and private non-residential customers. Keating primarily operates in the northeast and mid-Atlantic regions of the United States and has a history of successfully completed projects in the commercial office building, corporate campus, gaming, hospitality, education, pharmaceutical and institutional building construction markets. Goodwill of $15.5 million was recorded in conjunction with this acquisition.

[16] Subsequent Event

On January 3, 2011, the Company completed the acquisition of Fisk Electric Company ("Fisk"), a privately held electrical construction company based in Houston, Texas. Under the terms of the transaction, the Company acquired 100% of Fisk's stock for $105 million in cash, subject to a post-closing adjustment based on the net worth of Fisk at closing, plus an amount to be determined based upon Fisk's operating results for 2011 through 2013. The transaction was financed using proceeds from the offering of senior unsecured notes which was completed in October 2010 (see Note 4).

Based in Houston, Texas, Fisk covers many of the major commercial and industrial electrical construction markets in Southwest and Southeast locations with abilities to cover other attractive markets nationwide. Fisk's expertise in the design development of electrical and technology systems for major projects spans a broad variety of project types including: commercial office buildings, sports arenas, hospitals, research laboratories, hospitality and casinos, convention centers, and industrial facilities.

Fisk was acquired because the Company believes that Fisk is a strong strategic fit enabling the Company to expand its nationwide electrical construction capabilities and to realize significant synergies and opportunities in support of the Company's non-residential building and civil operations.

The transaction was accounted for using the acquisition method. The Company has not yet completed the final allocation of the purchase price to the tangible and intangible assets of Fisk.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Tutor Perini Corporation
Sylmar, CA

We have audited the accompanying consolidated balance sheets of Tutor Perini Corporation and subsidiaries (the "Company") as of December 31, 2010 and 2009, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2010. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Tutor Perini Corporation as of December 31, 2010 and 2009, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2010, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2010, based on the criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 4, 2011 expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ Deloitte & Touche, LLP

Los Angeles, California

March 4, 2011

Exhibit Index

The following designated exhibits are, as indicated below, either filed herewith or have heretofore been filed with the Securities and Exchange Commission under the Securities Act of 1933 or the Securities Act of 1934 and are referred to and incorporated herein by reference to such filings.

Exhibit 2.	Plan of Acquisition, Reorganization, Arrangement, Liquidation or Succession	
	2.1	Agreement and Plan of Merger, dated as of April 2, 2008, by and among Tutor Perini Corporation, Trifecta Acquisition LLC, Tutor-Saliba Corporation, Ronald N. Tutor and shareholders of Tutor-Saliba Corporation signatory thereto (incorporated by reference to Exhibit 2.1 to Form 8-K filed on April 7, 2008).
	2.2	Amendment No. 1 to the Agreement and Plan of Merger, dated as of May 28, 2008, by and among Tutor Perini Corporation, Trifecta Acquisition LLC, Tutor-Saliba Corporation, Ronald N. Tutor and shareholders of Tutor-Saliba Corporation signatory thereto (incorporated by reference to Exhibit 2.2 to Form 10-Q filed on August 8, 2008).
Exhibit 3.	Articles of Incorporation and By-laws	
	3.1	Restated Articles of Organization (incorporated by reference to Exhibit 4 to Form S-2 (File No. 33-28401) filed on April 28, 1989).
	3.2	Articles of Amendment to the Restated Articles of Organization of Tutor Perini Corporation (incorporated by reference to Exhibit 3.2 to Form S-1 (File No. 333-111338) filed on December 19, 2003).
	3.3	Articles of Amendment to the Restated Articles of Organization of Tutor Perini Corporation (incorporated by reference to Exhibit 3.1 to Form 8-K filed on April 12, 2000).
	3.4	Articles of Amendment to the Restated Articles of Organization of Tutor Perini Corporation (incorporated by reference to Exhibit 3.1 to Form 8-K filed on September 11, 2008).
	3.5	Articles of Amendment to the Restated Articles of Organization of Tutor Perini Corporation (incorporated by reference to Exhibit 3.5 to Form 10-Q filed on August 10, 2009).
	3.6	Second Amended and Restated By-laws of Tutor Perini Corporation (incorporated by reference to Exhibit 3.1 to Form 8-K filed on November 24, 2009).
Exhibit 4.	Instruments Defining the Rights of Security Holders, Including Indentures	
	4.1	Shareholders Agreement, dated April 2, 2008, by and among Tutor Perini Corporation, Ronald N. Tutor and the shareholders of Tutor-Saliba Corporation signatory thereto (incorporated by reference to Exhibit 4.1 to Form 8-K filed on April 7, 2008).
	4.2	Amendment No. 1 to the Shareholders Agreement, dated as of September 17, 2010, by and between Tutor Perini Corporation and Ronald N. Tutor, as shareholder representative (incorporated by reference to Exhibit 4.1 to Form 8-K filed on September 20, 2010).
	4.3	Indenture, dated October 20, 2010, by and among Tutor Perini Corporation, certain subsidiary guarantors named therein and Wilmington Trust FSB, as trustee (incorporated by reference to Exhibit 4.1 to Form 8-K filed on October 21, 2010).

Exhibit Index
(Continued)

	4.4	Registration Rights Agreement dated October 20, 2010, by and among Tutor Perini Corporation, certain subsidiary guarantors named therein and the initial purchasers named therein (incorporated by reference to Exhibit 4.2 to Form 8-K filed on October 21, 2010).
Exhibit 10.	Material Contracts	
	10.1*	Amendment No. 1 dated March 20, 2009 to the Amended and Restated Employment Agreement dated December 23, 2008, by and between Perini Corporation and Ronald N. Tutor (incorporated by reference to Exhibit 10.1 to Form 10-Q filed on May 8, 2009).
	10.2*	Tutor Perini Corporation Amended and Restated (2004) Construction Business Unit Incentive Compensation Plan (incorporated by reference to Exhibit 10.2 to Amendment No. 2 to Form S-1 (File No. 333-111338) filed on March 8, 2004).
	10.3*	Tutor Perini Corporation 2004 Stock Option and Incentive Plan (incorporated by reference to Annex A to the Company's Definitive Proxy Statement on Form DEF 14A filed on April 17, 2009).
	10.4*	Form of Director and Officer Indemnification Agreement (incorporated by reference to Exhibit 10.19 to Amendment No. 1 to Form S-1 (File No. 333-111338) filed on February 10, 2004).
	10.5*	Form of Restricted Stock Unit Award Agreement under the Tutor Perini Corporation 2004 Stock Option and Incentive Plan (incorporated by reference to Exhibit 10.24 to Tutor Perini Corporation's Annual Report on Form 10-K for the year ended December 31, 2004 filed on March 4, 2005).
	10.6*	Restricted Stock Unit Award Agreement under the Tutor Perini Corporation 2004 Stock Option and Incentive Plan dated as of September 26, 2007 between the Company and Kenneth R. Burk (incorporated by reference to Exhibit 10.1 to Form 10-Q filed on November 9, 2007).
	10.7*	Amended and Restated Employment Agreement dated December 23, 2008, by and between Tutor Perini Corporation and Ronald N. Tutor (incorporated by reference to Exhibit 10.1 to Form 8-K filed on December 23, 2008).
	10.8	Third Amended and Restated Credit Agreement dated as of September 8, 2008 among Tutor Perini Corporation, the subsidiaries of Tutor Perini identified therein, and Bank of America, N.A. and the other lenders that are parties thereto (incorporated by reference to Exhibit 10.1 to Form 8-K filed on September 12, 2008).
	10.9	First Amendment dated February 23, 2009 to the Third Amended and Restated Credit Agreement among Tutor Perini Corporation, the subsidiaries of Tutor Perini identified therein, and Bank of America, N.A. and the other lenders that are parties thereto (incorporated by reference to Exhibit 10.13 to Form 10-K filed on February 27, 2009).

Exhibit Index
(Continued)

10.10	Second Amendment dated January 13, 2010 to the Third Amended and Restated Credit Agreement among Tutor Perini Corporation, the subsidiaries of Tutor Perini identified therein, and Bank of America, N.A., and the other lenders that are parties thereto (incorporated by reference to Exhibit 10.1 to Form 8-K filed on January 21, 2010).
10.11	Extension of Supplemental Facility, dated July 16, 2010, to the Third Amended and Restated Credit Agreement among Tutor Perini Corporation, the subsidiaries of Tutor Perini identified therein, and Bank of America, N.A., and the other lenders that are parties thereto (incorporated by reference to Exhibit 10.2 to Form 10-Q filed on August 6, 2010).
10.12	Purchase Agreement, dated October 15, 2010, by and among Tutor Perini Corporation, certain subsidiary guarantors named therein and Deutsche Bank Securities Inc., as representatives of the several initial purchasers (incorporated by reference to Exhibit 10.1 to Form 8-K filed on October 21, 2010).
10.13	Third Amendment dated October 4, 2010, effective October 20, 2010 to the Third Amended and Restated Credit Agreement among Tutor Perini Corporation, the subsidiaries of Tutor Perini identified therein, and Bank of America, N.A., and the other lenders that are parties thereto (incorporated by reference to Exhibit 10.2 to Form 8-K filed on October 21, 2010).
10.14*	2009 General Incentive Compensation Plan (incorporated by reference to Annex B to the Company's Definitive Proxy Statement on Form DEF 14A filed on April 17, 2009).
Exhibit 21	Subsidiaries of Tutor Perini Corporation - filed herewith.
Exhibit 23	Consent of Independent Registered Public Accounting Firm - filed herewith.
Exhibit 24	Power of Attorney - filed herewith.
Exhibit 31.1	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 – filed herewith.
Exhibit 31.2	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 – filed herewith.
Exhibit 32.1	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 – filed herewith.
Exhibit 32.2	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 – filed herewith.

* Management contract or compensatory arrangement required to be filed as an exhibit pursuant to Item 15(a)(3) of Form 10-K.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2012

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from______________to____________________

Commission File Number: 1-6314

Tutor Perini Corporation

(Exact name of registrant as specified in its charter)

MASSACHUSETTS	[redacted]
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

15901 OLDEN STREET, SYLMAR, CALIFORNIA 91342-1093
(Address of principal executive offices)
(Zip code)

(818) 362-8391
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐ Accelerated filer ☒ Non-Accelerated filer ☐ Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares of common stock, $1.00 par value per share, of the registrant outstanding at May 2, 2012 was 47,367,950.

TUTOR PERINI CORPORATION AND SUBSIDIARIES

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Part I. – Financial Information

Item 1. Financial Statements

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS (UNAUDITED)
MARCH 31, 2012 AND DECEMBER 31, 2011
(In Thousands, except Share Data)

	March 31, 2012	December 31, 2011
ASSETS		
Cash and Cash Equivalents	$ 190,414	$ 204,240
Restricted Cash	35,450	35,437
Accounts Receivable, including retainage	1,184,213	1,275,031
Costs and Estimated Earnings in Excess of Billings	377,599	358,398
Deferred Income Taxes	1,958	-
Other Current Assets	87,862	76,928
Total Current Assets	1,877,496	1,950,034
Long-term Investments	46,283	62,311
Property and Equipment (net of Accumulated Depreciation of $117,712 in 2012 and $104,541 in 2011)	490,011	491,377
Other Assets:		
Goodwill	893,790	892,602
Intangible Assets, net	192,960	197,999
Other	18,040	18,804
	$ 3,518,580	$ 3,613,127
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Maturities of Long-term Debt	$ 60,916	$ 59,959
Accounts Payable, including retainage	684,327	785,725
Billings in Excess of Costs and Estimated Earnings	376,391	384,282
Accrued Expenses and Other Current Liabilities	159,612	163,268
Total Current Liabilities	1,281,246	1,393,234
Long-term Debt, less current maturities	617,095	612,548
Deferred Income Taxes	105,683	97,921
Other Long-term Liabilities	111,169	109,597
Contingencies and Commitments		
Stockholders' Equity:		
Common Stock - $1 par value: 75,000,000 shares authorized; Shares issued and outstanding: 47,367,950 and 47,329,275, respectively	47,368	47,329
Additional Paid-in Capital	996,313	993,434
Retained Earnings	401,476	402,679
Accumulated Other Comprehensive Loss	(41,770)	(43,615)
Total Stockholders' Equity	1,403,387	1,399,827
	$ 3,518,580	$ 3,613,127

The accompanying notes are an integral part of these consolidated condensed financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS (UNAUDITED)
(In Thousands, Except Per Share Data)

	THREE MONTHS ENDED MARCH 31, 2012	THREE MONTHS ENDED MARCH 31, 2011
Revenues	$ 912,534	$ 615,289
Cost of Operations	826,375	552,826
Gross Profit	86,159	62,463
General and Administrative Expenses	69,196	43,950
INCOME FROM CONSTRUCTION OPERATIONS	**16,963**	**18,513**
Other Income (Expense), net	(2,308)	(447)
Interest Expense	(11,082)	(7,155)
Income before Income Taxes	3,573	10,911
Provision for Income Taxes	(4,776)	(3,982)
NET (LOSS) INCOME	**$ (1,203)**	**$ 6,929**
BASIC (LOSS) EARNINGS PER COMMON SHARE	$ (0.03)	$ 0.15
DILUTED (LOSS) EARNINGS PER COMMON SHARE	$ (0.03)	$ 0.14
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:		
BASIC	47,330	47,100
Effect of Dilutive Stock Options and Restricted Stock Units Outstanding	-	762
DILUTED	47,330	47,862

The accompanying notes are an integral part of these consolidated condensed financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED) (In Thousands)

	THREE MONTHS ENDED MARCH 31,	
	2012	2011
Net (Loss) Income	$ (1,203)	$ 6,929
Other Comprehensive Income:		
Foreign currency translation (net of tax of $198)	323	44
Change in fair value of investments (net of tax of $154)	202	-
Change in fair value of interest rate swap (net of tax of $420)	(685)	-
Realized loss on sale of investments recorded in Net (Loss) Income (net of tax of $1,219)	2,005	-
Total Other Comprehensive Income	1,845	44
Total Comprehensive Income	$ 642	$ 6,973

The accompanying notes are an integral part of these consolidated condensed financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENT OF STOCKHOLDERS' EQUITY (UNAUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2012
(In Thousands)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
Balance - December 31, 2011	$ 47,329	$ 993,434	$ 402,679	$ (43,615)	$ 1,399,827
Net (Loss) Income	-	-	(1,203)	-	(1,203)
Other comprehensive income:					
Foreign currency translation (net of tax of $198)	-	-	-	323	323
Change in fair value of investments (net of tax of $154)	-	-	-	202	202
Change in fair value of interest rate swap (net of tax of $420)	-	-	-	(685)	(685)
Realized loss on sale of investments recorded in Net (Loss) Income (net of tax of $1,219)	-	-	-	2,005	2,005
Total comprehensive income					642
Tax effect of stock-based compensation	-	(195)	-	-	(195)
Stock-based compensation expense	-	3,419	-	-	3,419
Issuance of common stock, net	39	(345)	-	-	(306)
Balance - March 31, 2012	$ 47,368	$ 996,313	$ 401,476	$ (41,770)	$ 1,403,387

The accompanying notes are an integral part of these consolidated condensed financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS (UNAUDITED)
(In Thousands)

	THREE MONTHS ENDED MARCH 31, 2012	THREE MONTHS ENDED MARCH 31, 2011
Cash Flows from Operating Activities:		
Net (Loss) Income	$ (1,203)	$ 6,929
Adjustments to reconcile Net (Loss) Income to net cash from operating activities:		
Depreciation and amortization	15,790	8,043
Stock-based compensation expense	3,419	3,615
Excess income tax benefit from stock-based compensation	-	(18)
Deferred income taxes	5,693	(411)
Loss on sale of investments	2,699	-
Loss (gain) on sale of equipment	(79)	596
Other long-term liabilities	214	(243)
Other non-cash items	1,031	64
Changes in other components of working capital	(52,602)	(66,229)
NET CASH USED IN OPERATING ACTIVITIES	(25,038)	(47,654)
Cash Flows from Investing Activities:		
Acquisitions, net of cash balance acquired	-	(70,620)
Business acquisition related payments	(1,188)	(3,000)
Acquisition of property and equipment	(10,649)	(8,932)
Proceeds from sale of property and equipment	3,968	893
Investments in available-for-sale securities	(535)	-
Proceeds from sale of available-for-sale securities	16,553	-
Change in restricted cash	(13)	(8)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	8,136	(81,667)
Cash Flows from Financing Activities:		
Proceeds from debt	98,500	58,175
Repayment of debt	(95,107)	(33,119)
Excess income tax benefit from stock-based compensation	-	18
Issuance of common stock and effect of cashless exercise	(307)	-
Debt issuance costs	(10)	(25)
NET CASH PROVIDED BY FINANCING ACTIVITIES	3,076	25,049
Net Decrease in Cash and Cash Equivalents	(13,826)	(104,272)
Cash and Cash Equivalents at Beginning of Year	204,240	471,378
Cash and Cash Equivalents at End of Period	$ 190,414	$ 367,106
Supplemental Disclosure of Cash Paid During the Period For:		
Interest	$ 3,320	$ 1,091
Income taxes	$ 781	$ 1,296
Supplemental Disclosure of Non-cash Transactions:		
Property and equipment acquired through financing arrangements	$ 2,050	$ 1,604
Property and equipment additions accrued in accounts payable	$ -	$ 3,331
Grant date fair value of common stock issued for services	$ 1,421	$ 717

The accompanying notes are an integral part of these consolidated condensed financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

(1) Basis of Presentation

The unaudited consolidated condensed financial statements presented herein include the accounts of Tutor Perini Corporation and its wholly owned subsidiaries ("Tutor Perini" or the "Company"). The Company's interests in construction joint ventures are accounted for using the proportionate consolidation method. These unaudited consolidated condensed financial statements have been prepared in accordance with the instructions to Form 10-Q and do not include all of the information and note disclosures required by accounting principles generally accepted in the United States of America. These statements should be read in conjunction with the financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2011. In the opinion of management, the accompanying unaudited consolidated condensed financial statements include all adjustments, consisting only of normal recurring adjustments, necessary to present fairly the Company's financial position as of March 31, 2012 and December 31, 2011, results of operations and comprehensive income for the three months ended March 31, 2012 and 2011, and cash flows for the three months ended March 31, 2012 and 2011. The results of operations for the three months ended March 31, 2012 are not indicative of the results that may be expected for the year ending December 31, 2012 because, among other reasons, such results can vary depending on the timing of progress achieved and changes in estimated profitability of projects being reported.

The Company considers events or transactions that occur after the balance sheet date but before the financial statements are issued to provide additional evidence relative to certain estimates or to identify matters that require additional disclosures.

(2) Significant Accounting Policies

The significant accounting policies followed by the Company and its subsidiaries in preparing its consolidated financial statements are set forth in Note 1 to such financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2011. During the three months ended March 31, 2012, the Company adopted the following accounting pronouncements that were issued in 2011:

In May 2011, the Financial Accounting Standard Board ("FASB") issued a staff position amending existing guidance for fair value measurements and disclosures in both interim and annual financial statements. This update expands the disclosures for fair value measurements that are estimated using significant unobservable (Level 3) inputs. Other than requiring additional disclosures, adoption of this update has not had a material effect on the Company's consolidated financial statements.

In June 2011, the FASB issued a staff position which requires an entity to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income, or in two separate but consecutive statements. This update eliminates the option to present components of other comprehensive income as part of the statement of equity. The adoption of this update has not had a material effect on the Company's consolidated financial statements.

In September 2011, the FASB issued a staff position that gives an entity the option to make a qualitative evaluation about the likelihood of goodwill impairment. An entity that adopts this option will be required to perform the two-step impairment test only if it concludes that the fair value of a reporting unit is more likely than not less than its carrying value. On January 1, 2012, the Company adopted this option. The adoption of this option has not had a material effect on the Company's consolidated financial statements, but it may impact the manner in which the Company performs testing for goodwill impairment.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

In accordance with normal practice in the construction industry, the Company includes in current assets and current liabilities amounts related to construction contracts realizable and payable over a period in excess of one year. Costs and estimated earnings in excess of billings related to the Company's contracts and joint venture contracts at March 31, 2012 and December 31, 2011, consisted of the following (in thousands):

	March 31, 2012	December 31, 2011
Unbilled costs and profits incurred to date*	$ 128,101	$ 107,645
Unapproved change orders	102,011	136,704
Claims	147,487	114,049
	$ 377,599	$ 358,398

* Represents the excess of contract costs and profits recognized to date on the percentage of completion accounting method over the amount of contract billings to date on certain contracts.

Of the balance of "Unapproved change orders" and "Claims" included above in costs and estimated earnings in excess of billings at March 31, 2012 and December 31, 2011, approximately $76.6 million and $85.2 million, respectively, are amounts subject to pending litigation or dispute resolution proceedings as described in Note 7. These amounts are management's estimate of the probable cost recovery from the disputed claims considering such factors as evaluation of entitlement, settlements reached to date and experience with the customer. In the event that future facts and circumstances, including the resolution of disputed claims, cause a reduction in the aggregate amount of the estimated probable cost recovery from the disputed claims, the amount of such reduction will be recorded against earnings in the relevant future period.

(3) Mergers and Acquisitions

(a) Information regarding acquisitions that are material in the aggregate

On January 3, 2011, the Company completed the acquisition of Fisk Electric Company ("Fisk"), a privately held electrical construction company based in Houston, Texas. Fisk was acquired because the Company believes that it is a strong strategic fit enabling the Company to expand its nationwide electrical construction capabilities and to realize significant synergies and opportunities in support of the Company's non-residential building and civil operations. On April 1, 2011, the Company acquired 100% ownership of Anderson Companies ("Anderson"), the privately held parent company of Roy Anderson Corporation, Harrell Contracting Group, LLC and Brice Building Company, LLC. Anderson was acquired because the Company believes that it is a strong strategic fit for the Company's building business and strengthens the Company's position in the southeastern United States. On June 1, 2011, the Company acquired 100% ownership of Frontier-Kemper Constructors, Inc. ("Frontier-Kemper"), a privately held Indiana-based corporation. Frontier-Kemper was acquired because the Company believes that it is a strong strategic fit for the Company's civil business, bolstering the Company's tunneling business in the United States and expanding the Company's geographic reach into Canada. On August 18, 2011, the Company acquired 100% ownership of Becho, Inc. ("Becho"), a privately held Utah-based corporation. Becho was acquired because the Company believes that it is a strong strategic fit for the Company's civil business, bolstering the Company's drilling capabilities in the southwestern United States.

The transactions were accounted for using the purchase method of accounting. During the three months ended March 31, 2012, the Company did not materially revise any of the assumptions, estimates or amounts used to complete its purchase price accounting as of December 31, 2011. The Company has not yet completed the final fair value assessment of contingent consideration or the allocation of the purchase price to the tangible and intangible assets for Becho. Pending the outcome of further analysis, the preliminary purchase price allocation could change.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

The following unaudited pro forma summary financial information presents the operating results of the combined Company for the three months ended March 31, 2011 assuming that the acquisitions occurred on January 1, 2010. This unaudited pro forma summary financial information is presented for informational purposes only and is not indicative either of the operating results that actually would have occurred had the acquisitions been completed on January 1, 2010, or of future results.

Pro Forma (unaudited)	Three Months Ended March 31, 2011
(in thousands, except per share data)	
Revenues	$ 748,081
Income from Construction Operations	$ 23,977
Net Income	$ 7,732
Basic earnings per common share	$ 0.16
Diluted earnings per common share	$ 0.16

The pro forma results have been prepared for comparative purposes only and include certain adjustments such as (i) interest expense on acquisition debt; (ii) adjustments to depreciation expense resulting from the adjustment of fixed asset bases to fair value at acquisition; (iii) additional amortization expense related to identifiable intangible assets arising from the acquisitions; (iv) elimination of acquisition related expenses incurred; and (v) to reflect a statutory income tax rate on the pretax income of Fisk, Anderson, Frontier-Kemper and Becho, as well as on the applicable pro forma adjustments made. The pro forma results are not necessarily indicative either of the results of operations that actually would have resulted had the acquisitions been in effect on January 1, 2010 or of future results.

(b) Merger with GreenStar Services Corporation

On July 1, 2011, the Company completed a merger with GreenStar Services Corporation ("GreenStar"). GreenStar is primarily comprised of three operating entities: Five Star Electric Corporation and WDF, Inc., which are located in New York, and Nagelbush Mechanical, Inc. which is located in Florida. GreenStar was acquired because it is one of the largest specialty contractors in the United States and it will provide an opportunity to expand the Company's presence in the northeastern markets.

The transaction was accounted for using the purchase method of accounting. During the three months ended March 31, 2012, the Company did not materially revise any of the assumptions, estimates or amounts used to complete its purchase price accounting as of December 31, 2011.

The following unaudited pro forma summary financial information presents the operating results of the combined Company for the three months ended March 31, 2011 assuming that the merger occurred on January 1, 2010. This unaudited pro forma summary financial information is presented for informational purposes only and is not indicative either of the operating results that actually would have occurred had the merger been completed on January 1, 2010, or of future results.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

Pro Forma (unaudited)		Three Months Ended March 31, 2011
(in thousands, except per share data)		
Revenues	$	770,688
Income from Construction Operations	$	41,073
Net Income	$	19,964
Basic earnings per common share	$	0.42
Diluted earnings per common share	$	0.42

The pro forma results have been prepared for comparative purposes only and include certain adjustments such as (i) interest expense on merger debt; (ii) adjustments to depreciation expense resulting from the adjustment of fixed asset bases to fair value at the merger date; (iii) additional amortization expense related to identifiable intangible assets arising from the merger; (iv) elimination of merger related expenses incurred; and (v) to reflect a statutory income tax rate on the pretax income of GreenStar, as well as on the applicable pro forma adjustments made. The pro forma results are not necessarily indicative either of the results of operations that actually would have resulted had the merger been in effect on January 1, 2010 or of future results.

(c) Acquisition of Lunda Construction Company

On July 1, 2011, the Company completed the acquisition of Lunda Construction Company ("Lunda"). Headquartered in Black River Falls, Wisconsin, and with offices in Wisconsin and Minnesota, Lunda is a heavy civil contractor engaged in the construction, rehabilitation and maintenance of bridges, railroads, and other civil structures in the Midwest and throughout the United States. Lunda was acquired because the Company believes it is a strong strategic fit for its civil business and will provide the Company with the opportunity to expand its civil business into the midwestern United States.

The transaction was accounted for using the purchase method of accounting. During the three months ended March 31, 2012, the Company did not materially revise any of the assumptions, estimates or amounts used to complete its purchase price accounting as of December 31, 2011.

The following unaudited pro forma summary financial information presents the operating results of the combined Company for the three months ended March 31, 2011 assuming that the acquisition occurred on January 1, 2010. This unaudited pro forma summary financial information is presented for informational purposes only and is not indicative either of the operating results that actually would have occurred had the acquisitions been completed on January 1, 2010, or of future results.

Pro Forma (unaudited)		Three Months Ended March 31, 2011
(in thousands, except per share data)		
Revenues	$	660,059
Income from Construction Operations	$	24,729
Net Income	$	10,002
Basic earnings per common share	$	0.21
Diluted earnings per common share	$	0.21

The pro forma results have been prepared for comparative purposes only and include certain adjustments such as (i) interest expense on acquisition debt; (ii) adjustments to depreciation expense resulting from the adjustment of fixed asset bases to fair value at acquisition; (iii) additional amortization expense related to identifiable intangible assets arising from the acquisitions; (iv) elimination of acquisition related expenses incurred; and (v) to reflect a statutory income tax rate on the pretax income of Lunda, as well as on the applicable pro forma adjustments made. The pro forma results are not necessarily indicative either of the results of operations that actually would have resulted had the acquisitions been in effect on January 1, 2010 or of future results.

(4) Cash, Cash Equivalents and Restricted Cash

Cash and cash equivalents, as reported in the accompanying Consolidated Condensed Balance Sheets, consist of amounts held by the Company that are available for general corporate purposes and the Company's proportionate share of amounts held by construction joint ventures that are available only for joint venture-related uses, including future distributions to joint venture partners. Restricted cash is primarily held to secure insurance-related contingent obligations, such as insurance claim deductibles, in lieu of letters of credit. At March 31, 2012 and December 31, 2011, cash and cash equivalents and restricted cash consisted of the following (in thousands):

	March 31, 2012	December 31, 2011
Corporate Cash and Cash Equivalents	$ 88,138	$ 109,180
Company's share of joint venture Cash and Cash Equivalents	102,276	95,060
Total Cash and Cash Equivalents	$ 190,414	$ 204,240
Restricted Cash	$ 35,450	$ 35,437

(5) Fair Value Measurements

The Company measures certain financial instruments, including cash and cash equivalents, such as money market funds, at their fair value. The fair value was determined based on a three-tier valuation hierarchy for disclosure of significant inputs. These hierarchical tiers are defined as follows:

Level 1 – inputs are unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – inputs are other than quoted prices in active markets that are either directly or indirectly observable through market corroboration.

Level 3 – inputs are unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions based on the best information available in the circumstances.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

The following tables provide the assets and liabilities carried at fair value measured on a recurring basis as of March 31, 2012 and December 31, 2011 (in thousands):

	Total Carrying Value at March 31, 2012	Fair Value Measurements at March 31, 2012 Using: Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets:				
Cash and Cash Equivalents (1)	$ 190,414	$ 190,414	$ -	$ -
Restricted Cash (1)	35,450	35,450	-	-
Short-term investments (2)	3,080	-	3,080	-
Bonds substituted for retainage (3)	12,791	-	12,791	-
Long-term Investments –Auction rate securities (4)	46,283	-	-	46,283
Total	$ 288,018	$ 225,864	$ 15,871	$ 46,283
Liabilities:				
Interest rate swap contract (5)	$ 1,368	$ -	$ 1,368	$ -
Contingent Consideration (6)	51,697	-	-	51,697
	$ 53,065	$ -	$ 1,368	$ 51,697

	Total Carrying Value at December 31, 2011	Fair Value Measurements at December 31, 2011 Using: Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets:				
Cash and Cash Equivalents (1)	$ 204,240	$ 204,240	$ -	$ -
Restricted Cash (1)	35,437	35,437	-	-
Short-term investments (2)	3,465	1,026	2,439	-
Bonds substituted for retainage (3)	12,488	-	12,488	-
Long-term Investments – Auction rate securities (4)	62,311	-	-	62,311
Total	$ 317,941	$ 240,703	$ 14,927	$ 62,311
Liabilities:				
Interest rate swap contract (5)	$ -	$ -	$ -	$ -
Contingent Consideration (6)	51,555	-	-	51,555
	$ 51,555	$ -	$ -	$ 51,555

(1) Cash, cash equivalents and restricted cash consist primarily of money market funds with original maturity dates of three months or less, for which fair value is determined through quoted market prices.

(2) Short-term investments are classified as other current assets and are comprised of municipal bonds. The fair values of the municipal bonds are obtained from readily-available pricing sources for comparable instruments, and as such, the Company has classified these assets as Level 2.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

(3) Bonds substituted for retainage are classified as account receivables, including retainage and are comprised of U.S. Treasury Notes and other municipal bonds, the majority of which are rated Aa2 or better. The fair values of these assets are obtained from readily-available pricing sources for comparable instruments, and as such, the Company has classified these assets as Level 2.

(4) At March 31, 2012 the Company had $46.3 million invested in ARS which the Company considers as available-for-sale long-term investments. The long-term investments ARS held by the Company at March 31, 2012 are in securities collateralized by student loan portfolios. At March 31, 2012 most of the Company's ARS are rated AAA. The Company estimated the fair value of its ARS utilizing an income approach valuation model which considered, among other items, the following inputs: (i) prices from recent comparable transactions; (ii) other third-party pricing information without adjustment; (iii) the underlying structure of each security; (iv) the present value of future principal and interest payments discounted at rates considered to reflect current market conditions; (discount rates range from 3-7%) and (v) consideration of the probabilities of default or repurchase at par for each period (term periods range from 6-8 years).

(5) As discussed in Note 10, the Company entered into a swap agreement with Bank of America, N.A. to establish a long-term interest rate for its $200 million five-year term loan. The swap agreement became effective for the term loan principal balance outstanding at January 31, 2012 and will remain effective through the maturity date of the term loan. The Company values the interest rate swap liability utilizing a discounted cash flow model that takes into consideration forward interest rates observable in the market and the counterparty's credit risk. This liability as classified as a component of other long-term liabilities.

(6) The liabilities listed as of March 31, 2012 above represent the contingent consideration for the acquisitions of Fisk, Anderson, GreenStar, and Lunda for which the measurement period for purchase price analysis has concluded. The liabilities listed as of March 31, 2011 represent the contingent consideration for the acquisition of Fisk, as each of the other acquisitions listed above were closed subsequent to March 31, 2011. See the level 3 rollforward below for disclosure of the Company's valuation approach.

Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the three months ended March 31, 2012 and 2011 are as follows (in thousands):

	Auction Rate Securities
Balance at December 31, 2011	$ 62,311
Purchases	-
Settlements	(16,553)
Realized loss included in other income (expense), net	(2,699)
Reversal of pretax impairment charges included in accumulated other comprehensive income (loss)	3,224
Balance at March 31, 2012	$ 46,283

	Auction Rate Securities
Balance at December 31, 2010	$ 88,129
Purchases	-
Settlements	-
Balance at March 31, 2011	$ 88,129

The Company has classified its $46.3 million ARS investment as long-term investments in the Consolidated Condensed Balance Sheet at March 31, 2012, due to the Company's belief that the market for government-backed student loans may take in excess of twelve months to fully recover.

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Liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the three months ended March 31, 2012 and 2011 are as follows (in thousands):

	Contingent Consideration
Balance at December 31, 2011	$ 51,555
Fair value adjustments included in other income (expense), net	142
Balance at March 31, 2012	$ 51,697

	Contingent Consideration
Balance at December 31, 2010	$ -
Fair value measured at conclusion of purchase price analysis measurement period	4,200
Balance at March 31, 2011	$ 4,200

The fair values of the contingent consideration were estimated based on an income approach which is based on the cash flows that the acquired entity is expected to generate in the future. This approach requires management to project revenues, operating expenses, working capital investment, capital spending and cash flows for the reporting unit over a multi-year period, as well as determine the weighted-average cost of capital to be used as a discount rate (weighted-average cost of capital inputs have ranged from 14-18%). As a result of this analysis, the Company increased liabilities accrued at the conclusion of the measurement period by approximately $0.1 million, and the adjustments were included in other income (expense), net in the Consolidated Condensed Statements of Operations.

The carrying amount of cash and cash equivalents approximates fair value due to the short-term nature of these items. The carrying value of receivables, payables, other amounts arising out of normal contract activities, including retainage, which may be settled beyond one year, is estimated to approximate fair value. Of the Company's long-term debt, the fair value of the fixed rate senior unsecured notes as of March 31, 2012 is $303 million, compared to its carrying value of $298.1 million. The fair value of the senior unsecured notes was estimated based on market quotations at March 31, 2012. For the remainder of the Company's long-term debt, the carrying value is estimated to approximate fair value.

There were no significant transfers between level 1 and level 2 financial assets and liabilities that are fair valued on a recurring basis during the three months ended March 31, 2012 and 2011.

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(6) Goodwill and Intangible Assets

Changes in the carrying amount of goodwill during the three months ended March 31, 2012 in connection with our recent acquisitions are shown in the tables below (in thousands):

	Building	Civil	Specialty Contractors	Management Services	Total
Gross Goodwill	$ 420,267	$ 430,762	$ 141,833	$ 66,638	$ 1,059,500
Accumulated Impairment	(146,847)	-	-	(20,051)	(166,898)
Balance at December 31, 2011	273,420	430,762	141,833	46,587	892,602
Acquisition related adjustment	-	1,188	-	-	1,188
Balance at March 31, 2012	$ 273,420	$ 431,950	$ 141,833	$ 46,587	$ 893,790

Intangible assets consist of the following (in thousands):

	March 31, 2012				Weighted Average Amortization Period
	Cost	Accumulated Amortization	Accumulated Impairment Charge	Carrying Value	
Trade names (non-amortizable)	$ 117,600	$ -	$ (56,100)	$ 61,500	Indefinite
Trade names (amortizable)	74,350	(1,698)	(800)	71,852	20 years
Contractor license	6,000	-	(680)	5,320	Indefinite
Customer relationships	39,800	(11,485)	-	28,315	11.6 years
Construction contract backlog	71,140	(45,167)	-	25,973	2.9 years
Total	$ 308,890	$ (58,350)	$ (57,580)	$ 192,960	

	December 31, 2011				Weighted Average Amortization Period
	Cost	Accumulated Amortization	Accumulated Impairment Charge	Carrying Value	
Trade names (non-amortizable)	$ 117,600	$ -	$ (56,100)	$ 61,500	Indefinite
Trade names (amortizable)	74,350	(788)	(800)	72,762	20 years
Contractor license	6,000	-	(680)	5,320	Indefinite
Customer relationships	39,800	(10,585)	-	29,215	11.6 years
Construction contract backlog	71,140	(41,938)	-	29,202	2.9 years
Total	$ 308,890	$ (53,311)	$ (57,580)	$ 197,999	

Amortization expense for the three months ended March 31, 2012 and 2011 was $5.0 million and $1.8 million, respectively. As of March 31, 2012, amortization expense is estimated to be $13.3 million for the remainder of 2012, $15.9 million in 2013, $14.4 million in 2014, $8.5 million in 2015, $6.3 million in 2016 and $67.7 million thereafter.

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(7) Contingencies and Commitments

The Company and certain of its subsidiaries are involved in litigation and are contingently liable for commitments and performance guarantees arising in the ordinary course of business. The Company and certain of its clients have made claims arising from the performance under its contracts. The Company recognizes certain significant claims for recovery of incurred cost when it is probable that the claim will result in additional contract revenue and when the amount of the claim can be reliably estimated. These assessments require judgments concerning matters such as litigation developments and outcomes, the anticipated outcome of negotiations, the number of future claims and the cost of both pending and future claims. In addition, because most contingencies are resolved over long periods of time, liabilities may change in the future due to various factors.

Several matters are in the litigation and dispute resolution process. The following discussion provides a background and current status of these matters.

Tutor-Saliba-Perini Joint Venture vs. Los Angeles MTA Matter

During 1995 Tutor-Saliba-Perini ("Joint Venture") filed a complaint in the Superior Court of the State of California for the County of Los Angeles against the Los Angeles County Metropolitan Transportation Authority ("LAMTA"), seeking to recover costs for extra work required by LAMTA in connection with the construction of certain tunnel and station projects. In 1999, LAMTA countered with civil claims under the California False Claims Act against the Joint Venture, Tutor-Saliba and the Company jointly and severally (together, "TSP").

Between 2005 and 2010, the court granted certain Joint Venture motions and LAMTA capitulated on others which reduced the number of false claims LAMTA may seek and limited LAMTA's claims for damages and penalties. In September 2010, LAMTA dismissed its remaining claims and agreed to pay the entire amount of the Joint Venture's remaining claims plus interest. The Court subsequently entered judgment in favor of TSP and against LAMTA in the amount of $3 million. This amount is after deducting the amount of $0.5 million, representing the tunnel handrail verdict plus accrued interest against TSP. The parties filed post-trial motions for costs and fees. The Court ruled TSP's sureties could recover costs, LAMTA could recover costs for the tunnel handrail trial, and no party could recover attorneys' fees. In April 2011, TSP filed a notice of appeal regarding the false claims jury verdict on the tunnel handrail claim and other issues, and LAMTA subsequently filed its notice of cross-appeal. In October 2011, TSP filed a notice of appeal regarding the Court's order denying TSP and its Sureties' request for attorneys' fees. In March 2012, the Court finalized the preparation of the record for the Court of Appeal with the filing of opening briefs expected in the 3rd Quarter 2012. The appeal of this case is expected to take at least a year.

The Company does not expect this matter to have any material effect on its consolidated financial statements.

Perini/Kiewit/Cashman Joint Venture-Central Artery/Tunnel Project Matter

Perini/Kiewit/Cashman Joint Venture ("PKC"), a joint venture in which the Company holds a 56% interest and is the managing partner, is currently pursuing a series of claims, instituted at different times over the course of the past ten years, for additional contract time and/or compensation against the Massachusetts Highway Department ("MHD") for work performed by PKC on a portion of the Central Artery/Tunnel ("CA/T") project in Boston, Massachusetts. During construction, MHD ordered PKC to perform changes to the work and issued related direct cost changes with an estimated value, excluding time delay and inefficiency costs, in excess of $100 million. In addition, PKC encountered a number of unforeseen conditions during construction that greatly increased PKC's cost of performance. MHD has asserted counterclaims for liquidated damages and backcharges.

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Certain of PKC's claims have been presented to a Disputes Review Board ("DRB") which consists of three construction experts chosen by the parties. To date, five DRB panels have issued several awards and interim decisions in favor of PKC's claims, amounting to total awards to PKC in excess of $128 million, of which $110 million were binding awards.

In December 2010, the Suffolk County Superior Court granted MHD's motion for summary judgment to vacate the Third DRB Panel's awards to PKC for approximately $55 million. The Court granted the motion on the grounds that the arbitrators do not have authority to decide whether particular claims are subject to the arbitration provision of the contract. MHD subsequently moved to vacate approximately $12 million of the Fourth DRB Panel's total awards to PKC on the same arbitrability basis that the Third DRB's awards were vacated. In October 2011, the Suffolk County Superior Court followed its earlier arbitrability rulings holding that the Fourth DRB exceeded its authority in deciding arbitrability with respect to certain of the Fourth DRB Panel's awards (approximately $8 million of the $12 million discussed above). PKC is pursuing an appeal of the Superior Court decisions. That appeal has been fully briefed by the parties and a hearing is scheduled for May 2012.

Subject to the results of further proceedings as a result of the PKC's appeal of the Court's decisions with respect to the Third and Fourth DRB Panel's awards to PKC, the remaining claims to be decided by the DRB primarily consist of interest awards on the previous Third and Fourth DRB rulings in PKC's favor. In February 2012, PKC received a $22 million payment for an interest award associated with the Second DRB panel's awards to PKC. The parties are currently participating in settlement discussions.

Management has made an estimate of the anticipated recovery on this project and it is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the financial statements at that time.

Long Island Expressway/Cross Island Parkway Matter

The Company reconstructed the Long Island Expressway/Cross Island Parkway Interchange (the "Project") for the New York State Department of Transportation (the "NYSDOT"). The $130 million project was substantially completed in January 2004 and was accepted by the NYSDOT as finally complete in February 2006.The Company incurred significant added costs in completing its work and suffered extended schedule costs due to numerous design errors, undisclosed utility conflicts, lack of coordination with local agencies and other interferences for which the Company believes that the NYSDOT is responsible.

In March 2011, the Company filed its claim and complaint with the New York State Court of Claims and served to the New York State Attorney General's Office, in the amount of $53.8 million. In May 2011, the NYSDOT filed a motion to dismiss the Company's claim on the grounds that the Company had not provided required documentation for project closeout and filing of a claim. In September 2011, the Company reached agreement on final payment with the Comptroller's Office on behalf of the NYSDOT which resulted in an amount of $0.5 million payable to the Company and formally closed out the project, which will allow the Company's claim to be re-filed. The Company re-filed its claim in the amount of $53.8 million with the NYSDOT in February 2012 and with the Court of Claims in March 2012.

Management has made an estimate of the total anticipated recovery on this project and it is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the financial statements at that time.

Queensridge Matter

Perini Building Company, Inc. ("PBC") was the general contractor for the construction of One Queensridge Place, a condominium project in Las Vegas, Nevada. The developer of the project, Queensridge Towers, LLC / Executive Home Builders, Inc. ("Queensridge"), has failed to pay PBC for work which PBC and its subcontractors performed on the project.

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Subcontractors have brought claims against PBC and have outstanding liens on the property in the amount of approximately $19 million. PBC also has an outstanding lien on the property in the amount of approximately $24 million, representing unpaid contract balances and additional work; $19 million of PBC's $24 million lien amount would be paid to subcontractors. Queensridge has alleged that PBC and its subcontractors are not due amounts sought and that it has back charges from incomplete and defective work. PBC filed an arbitration demand, asserting $35 million in claims against Queensridge, including $25 million for contract damages and $10 million for punitive damages.

In April 2011, the American Arbitration Association granted PBC's request for consolidation of claims. All claims will be arbitrated. The arbitration hearings started in early 2012 and are expected to conclude in late 2012. At the conclusion of the arbitration, the parties will return to District Court to resolve the lien issues.

Management has made an estimate of the total anticipated recovery on this project and it is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the financial statements at that time.

Gaylord Hotel and Convention Center Matter

In 2005, Gaylord National, LLC ("Gaylord"), as Owner, and Perini Building Company, Inc. / Tompkins Builders, Joint Venture ("PTJV"), as Construction Manager, entered into a contract to construct the Gaylord National Resort and Convention Center (the "Project") in Maryland. The Project is complete and as part of its settlement with Gaylord reached in November 2008, PTJV agreed to pay all subcontractors and defend all claims and lien actions by them relating to the Project. PTJV has closed out most subcontracts. Resolution of the issues with the remaining subcontractors may require mediation, arbitration and/or trial.

PTJV is pursuing an insurance claim for approximately $40 million related to work performed by Banker Steel Company, Inc. ("Banker Steel"), a subcontractor, including $11 million for business interruption costs incurred by Gaylord which have effectively been assigned to PTJV. In November 2009, PTJV filed suit against Factory Mutual Insurance Co. ("FM") in the Maryland federal district court alleging FM breached the insurance contracts and for declaratory judgment with respect to the insurance coverage. In December 2010, PTJV filed suit against ACE American Insurance Company ("ACE") in Maryland federal district court alleging ACE breached the general liability insurance contract, requesting a declaratory judgment with respect to the insurance coverage and for bad faith.

The court assigned an April 2012 trial date; however, the parties are still participating in settlement discussions and agreed to submit to a mediation which is expected to occur in the 2nd or 3rd Quarter of 2012.

Management has made an estimate of the total anticipated recovery on this project and it is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the financial statements at that time.

Fontainebleau Matter

DMI and Fisk, wholly owned subsidiaries of the Company, were subcontractors on the Fontainebleau Project in Las Vegas ("Fontainebleau"), a hotel/casino complex with approximately 3,800 rooms. In June 2009, Fontainebleau filed for bankruptcy protection, under Chapter 11 of the U.S. Bankruptcy Code, in the Southern District of Florida. Fontainebleau is headquartered in Miami, Florida.

DMI and Fisk filed liens in Nevada for approximately $44 million, representing unreimbursed costs to date and lost profits, including anticipated profits. Other unaffiliated subcontractors have also filed liens. In June 2009, DMI filed suit against Turnberry West Construction, Inc. ("Turnberry"), the general contractor, in the 8th Judicial District Court, Clark County, Nevada, and in May 2010, the court entered an order in favor of DMI for approximately $45 million. DMI is uncertain as to Turnberry's present financial condition.

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In January 2010, the Bankruptcy Court approved the sale of the property to Icahn Nevada Gaming Acquisition, LLC and this transaction closed in February 2010. As a result of a July 2010 ruling relating to certain priming liens there is now approximately $125 million set aside from this sale, which is available for distribution to satisfy the creditor claims based on seniority. The total estimated sustainable lien amount is approximately $350 million. The project lender filed suit against the mechanic's lien claimants, including DMI and Fisk, alleging that certain mechanic's liens are invalid and that all mechanic's liens are subordinate to the lender's claims against the property. The Nevada Supreme Court has agreed to hear the case and rule on the issue of lien priority, which once received will be referred to the Bankruptcy Court for further proceedings.

Management has made an estimate of the total anticipated recovery on this project and it is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the financial statements at that time.

MGM CityCenter Matter

Perini Building Company, Inc., a wholly owned subsidiary of the Company, contracted with MGM MIRAGE Design Group ("MGM") in March 2005 to construct the CityCenter project in Las Vegas, Nevada (the "Project"). The Project, which encompasses nineteen separate contracts, is a 66-acre urban mixed use development consisting of hotels, condominiums, retail space and a casino.

The Company achieved substantial completion of the Project in December 2009, and MGM opened the Project to the public on the same date. In March 2010, the Company filed suit against MGM and certain other property owners in the Clark County District Court alleging several claims including breach of contract, among other items. In March 2010, the Company also filed a $491 million mechanic's lien against the Project.

In a Current Report on Form 8-K filed by MGM in March 2010, and in subsequent communications issued, MGM has asserted that it believes it owes substantially less than the claimed amount and that it has claims for losses in connection with the construction of the Harmon Hotel and is entitled to unspecified offsets for other work on the Project. According to MGM, the total of the offsets and the Harmon Hotel claims exceed the amount claimed by the Company. MGM's filing and subsequent communications do not specify in any detail the basis for MGM's belief that it has such claims against the Company.

In May 2010, MGM filed a counterclaim and third party complaint against the Company and its subsidiary Perini Building Company. The court granted the Company and MGM's joint motion to consolidate all subcontractor initiated actions into the main CityCenter lawsuit. A trial date has been set for February 2013. MGM has filed a motion to demolish the Harmon Tower, one of the CityCenter buildings. The Company opposed the motion, and hearings on the motion commenced in March 2012. These hearings have not yet concluded. Discovery is ongoing with additional depositions on repair procedures and cost prior to the July hearings. Trial is set for February 2013.

In public statements, MGM asserted its intent to enter into settlement discussions directly with subcontractors under contract with the Company. As of March 2012, MGM has reached agreements with subcontractors to settle at a discount $301 million of amounts previously billed to MGM. The Company has reduced and will continue to reduce amounts included in revenues, cost of construction operations, accounts receivable and accounts payable for the reduction in subcontractor pass-through billings, which the Company would not expect to have an impact on recorded profit. At March 31, 2012, the Company had approximately $192 million recorded as contract receivables for amounts due and owed to the Company and its subcontractors. In December 2011, a portion of the amounts owed to one of the Company's subsidiaries, Fisk, was settled for approximately $15 million. Included in the Company's receivables are pass-through subcontractor billings for contract work and retention, and other requests for equitable adjustment for additional work in the amount of $61 million. As pass-through subcontractor billings are settled, the Company will reduce its mechanic's lien as appropriate. As of March 31, 2012, the Company's mechanic's lien has been reduced to $313 million.

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With respect to alleged losses at the Harmon Hotel, the Company has contractual indemnities from the responsible subcontractor, as well as existing insurance coverage that it expects will be available and sufficient to cover any liability that may be associated with this matter. The Company's insurance carrier initiated legal proceedings seeking declaratory relief that their insurance policies do not provide for defense or coverage for matters pertaining to the Harmon Towers. Those proceedings are stayed pending the outcome of the underlying dispute in Nevada District Court. The Company is not aware of a basis for other claims that would amount to material offsets against what MGM owes to the Company. The Company does not expect this matter to have any material effect on its consolidated financial statements.

Management has made an estimate of the total anticipated recovery on this project and it is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the financial statements at that time.

Honeywell Street/Queens Boulevard Bridges Matter

In 1999, the Company was awarded a contract for reconstruction of the Honeywell Street/Queens Boulevard Bridges (the "Project") for the City of New York (the "City"). In June 2003, after substantial completion of the Project, the Company initiated an action to recover $8.75 million in claims from the City on behalf of itself and its subcontractors. In March 2010, the City filed counterclaims for $74.6 million and other relief, alleging fraud in connection with the disadvantaged business enterprise ("DBE") requirements for the Project. In May 2010, the Company served the City with its response to the City's counterclaims and affirmative defenses. Parties are discussing settlement possibilities as discovery efforts continue. No trial date has been set.

The Company does not expect this matter to have any material effect on its consolidated financial statements.

Westgate Planet Hollywood Matter

Tutor-Saliba Corporation ("TSC"), a wholly owned subsidiary of the Company, contracted to construct a time share development in Las Vegas (the "Project") which was substantially completed in December 2009. The Company's claims against the owner, Westgate Planet Hollywood Las Vegas, LLC ("WPH"), relate to unresolved owner change orders and other claims. The Company filed a lien on the project in April 2010 in the amount of $19.3 million, and filed its complaint in May 2010 with the District Court, Clark County, Nevada. Included in the Company's receivables are pass-through subcontractor billings for contract work and retention of approximately $12 million. Several subcontractors have also recorded liens, some of which have been released by bonds and some of which have been released as a result of subsequent payment. Westgate has posted a mechanic's lien release bond for $22.3 million.

WPH filed a cross-complaint alleging non-conforming and defective work for approximately $51 million, primarily related to alleged defects, misallocated costs, and liquidated damages. Some or all of the allegations will be defended by counsel appointed by TSC's insurance carrier. WPH has since revised the amount of their counterclaims to approximately $45 million.

TSC filed an amended complaint in May 2011, which increases TSC's claim to $22.3 million, and replaces the cause of action to foreclose its mechanic's lien with an action against WPH's lien release bond.

The Court set trial for September 2012 with the discovery process continuing. The Company does not expect this matter to have any material effect on its consolidated financial statements.

Management has made an estimate of the total anticipated recovery on this project and it is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the financial statements at that time.

100th Street Bus Depot Matter

The Company constructed the 100th Street Bus Depot for the New York City Transit Authority ("NYCTA") in New York. Prior to receiving notice of final acceptance from the NYCTA, this project experienced a failure of the brick façade on the building due to faulty subcontractor work. The Company has not yet received notice of final acceptance of this project from the NYCTA. The Company contends defective structural installation by the Company's steel subcontractor caused or was a causal factor of the brick façade failure.

The Company has tendered its claim to the NYCTA Owner Controlled Insurance Program ("OCIP") and to Chartis Claims, Inc. ("Chartis"), its insurance carrier. Coverage was denied in January 2011. The OCIP and general liability carriers have filed a declaratory relief action in the United States District Court, Southern District of New York against the Company seeking court determination that no coverage is afforded under their policies. The Company believes it has legal entitlement to recover costs under the policies and intends to defend and pursue its claim against the carriers for breach of contract and appropriate associated causes of action. The Company filed a lawsuit against certain underwriters at Lloyds, London, the excess carrier, Illinois National Insurance Company, the Insurance Company of the State of Pennsylvania, and National Union Fire Insurance Company of Pittsburgh, Pennsylvania, with respect to this claim in the Commonwealth of Massachusetts, Suffolk County Superior Court, in June 2011. This case will be dismissed and the dispute will be heard in the New York action. Discovery is ongoing and must be completed by June 2012.

Management has made an estimate of the total anticipated recovery on this project and it is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the financial statements at that time.

Brightwater Matter

In 2006, the Department of Natural Resources and Parks Wastewater Treatment Division of King County ("King County"), as Owner, and Vinci Construction Grands Projects/Parsons RCI/Frontier-Kemper, Joint Venture ("VPFK"), as Contractor, entered into a contract to construct the Brightwater Conveyance System and tunnel sections (the "Project") in Washington State. Frontier-Kemper, a wholly owned subsidiary of the Company, is a 20% minority partner in the joint venture.

In April 2010, King County filed a lawsuit alleging damages in the amount of $74 million, plus costs, for VPFK's failure to complete specified components of the project in the King County Superior Court, State of Washington. Shortly thereafter, VPFK filed a counterclaim in the amount of approximately $75 million, seeking reimbursement for additional costs incurred as a result of differing site conditions, King County's defective specifications, for damages sustained on VPFK's tunnel boring machines ("TBM"), and increased costs as a result of hyperbaric interventions. VPFK's claims related to differing site conditions, defective design specifications, and damages to the TBM were presented to a Dispute Resolution Board ("DRB"). King County amended the amount sought in its lawsuit to approximately $132 million. In August 2011, the DRB generally found that King County was liable to VPFK for VPFK's claims for encountering differing site conditions, including damages to the TBM, but not on VPFK's alternative theory of defective specifications. King County has proposed the parties mediate the hyperbaric work claim. VPFK agreed to this request. Discovery continues and must be completed by June 2012 while the parties continue discussions to identify an agreed upon mediation process.

Trial is currently set for September 2012.

The ultimate financial impact of King County's lawsuit is not yet determinable. Management has made an estimate of the total anticipated recovery on the submitted claims and it is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the financial statements at that time.

156 Stations Matter

In December 2003, Five Star Electric Corporation ("FSE"), a wholly owned subsidiary of the Company, entered into an agreement with the Prime Contractor Transit Technologies, L.L.C ("Transit"), a Consortium member of Siemens Transportation Transit Technologies, L.L.C ("Siemens"), to assist in the installation of new public address and customer information screens system for each of the 156 stations for the New York City Transit Authority ("NYCTA") as the owner. Work on the project commenced in early 2004 and is substantially complete.

In June 2007, FSE submitted a Demand for Arbitration against Transit to terminate its subcontract due to the execution of a Cure Agreement between the NYCTA, Siemens and Transit which severely amended FSE's rights under the Prime Contract, due to Transit's failure to provide information and equipment in a manner which would allow work to progress according to the approved baseline schedule, and for failure to tender payment in excess of a year. This arbitration demand also sought $18 million in damages caused by subcontract breaches on the part of Transit. On July 17, 2009, FSE unilaterally terminated its contract with Transit and amended its claim to include all costs incurred through the date it ceased work following its termination. This claim is for approximately $25 million.

In August 2007, FSE commenced action against the Federal Insurance Company and St. Paul Fire and Marine Insurance Company, the payment bond sureties for the Consortium, in the Supreme Court of the State of New York. FSE's action was amended in November 2009, to include all costs incurred through the date work ceased following its termination. This claim, like the underlying arbitration, alleges damages of $25 million.

In response, Transit notified Travelers Casualty and Surety Company of America ("Travelers"), FSE's surety, of its intent to default FSE from the contract for failure to perform. Transit filed a suit against Travelers in May 2011, in the Supreme Court of the State of New York, seeking compensation for damages allegedly suffered by Transit as a result of the actions of FSE and Travelers. The cause and amount of the damages are not specified in the suit; however, the damages are for an amount in excess of $25 million up to the contract amount of $36 million. By an agreement executed in June 2011, Travelers tendered defense to FSE. Arbitration has been substantially completed, and the final briefings are in process.

The ultimate financial impact of Transit's lawsuit is not yet determinable. Management has made an estimate of the total anticipated recovery on the submitted claims and it is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the financial statements at that time. Additionally, pursuant to the terms of the merger agreement with the former shareholders of GreenStar, the Company has contractual indemnities for claim losses allowed for by the GreenStar Indemnity Holdbacks as defined in Note 2 of the Notes to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2011.

(8) Income Taxes

The Company's effective tax rate for the three months ended March 31, 2012 and 2011 was 133.7% and 36.5%, respectively. The current period income tax expense of $4.8 million includes discrete items of $3.6 million, related to an increase in unrecognized tax benefits and an adjustment, both associated with certain stock-based compensation items identified during the current period.

For financial statement purposes the Company uses the more-likely-than-not recognition threshold and a tax benefit measurement process for recording changes to unrecognized tax benefits. The Company recognizes interest and penalties on any income tax liabilities as a component of its income tax provision. The total amount of gross unrecognized tax benefits recorded was approximately $2.9 million and $1.7 million as of March 31, 2012 and December 31, 2011, respectively.

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The Company has been notified by the Internal Revenue Service that its 2010 U.S. Federal tax return will be examined.

(9) Stock-Based Compensation

The Company recognized $3.4 million in general and administrative expenses related to stock-based compensation awards for the three months ended March 31, 2012, and $3.6 million of total compensation expense for the three months ended March 31, 2011.

Restricted Stock Awards
Restricted stock awards vest subject to the satisfaction of service requirements or the satisfaction of both service requirements and achievement of certain pre-established pre-tax income performance targets. Upon vesting, each award is exchanged for one share of the Company's common stock. The grant date fair values of these awards are determined based on the closing price of either the award date (if subject only to service conditions), or, if later, the date that the Compensation Committee establishes the applicable performance target (if subject to performance conditions). As of March 31, 2012, the Compensation Committee has approved the grant of an aggregate of 4,092,500 restricted stock awards to eligible participants.

In March 2012, the Compensation Committee established the 2012 pre-tax income performance targets for 220,000 restricted stock units awarded in 2009 and 2010. Additionally, 7,500 restricted stock unit awards were forfeited during the current period.

For the three months ended March 31, 2012 and 2011, the Company recognized $2.5 million and $2.7 million, respectively, of compensation expense related to restricted stock awards. As of March 31, 2012 there was $10.2 million of unrecognized compensation cost related to the unvested awards which, absent significant forfeitures in the future, is expected to be recognized over a weighted average period of approximately 2.0 years. A summary of restricted stock awards activity under the plan for the three months ended March 31, 2012 is as follows:

	Number of Shares	Weighted Average Grant Date Fair Value	Aggregate Intrinsic Value
Granted and Unvested - January 1, 2012	1,185,832	$ 19.65	$ 14,633,167
Vested	(58,332)	24.36	909,229
Granted	220,000	15.49	3,427,600
Forfeited	(7,500)	13.32	-
Total Granted and Unvested	1,340,000	18.80	20,877,200
Approved for grant	211,669	(a)	3,297,803
Total Awarded and Unvested - March 31, 2012	1,551,669	n.a.	24,175,003

(a) Grant date fair value cannot be determined currently because the related performance targets for future years have not yet been established by the Compensation Committee.

The outstanding unvested awards at March 31, 2012 are scheduled to vest as follows, subject where applicable to the achievement of performance targets. As described above, certain performance targets are not yet established.

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Vesting Date	Number of Awards
2012	150,000
2013	950,000
2014	451,669
Total	1,551,669

Approximately 235,000 of the unvested awards will vest based on the satisfaction of service requirements and 1,316,669 will vest based on the satisfaction of both service requirements and the achievement of pre-tax income performance targets.

Stock Options
Stock option awards generally vest subject to the satisfaction of service requirements or the satisfaction of both service requirements and achievement of certain pre-established pre-tax income performance targets. The grant date fair values of these awards are determined based on the Black-Scholes option price model on either the award date (if subject only to service conditions), or, if later, the date that the Compensation Committee establishes the applicable performance target (if subject to performance conditions). The related compensation expense is amortized over the applicable service period. The exercise price of the options is equal to the closing price of the Company's common stock on the date the awards were approved by the Compensation Committee, and the awards expire ten years from the award date. As of March 31, 2012, the Compensation Committee has approved the award of an aggregate of 1,685,465 stock option awards to eligible participants. In March 2012, the Compensation Committee established the 2012 pre-tax income performance target for 150,000 stock options awarded in 2009.

For the three months ended March 31, 2012 and 2011, the Company recognized compensation expense of $0.9 million and $0.9 million, respectively, related to stock option awards. As of March 31, 2012, there was $3.8 million of unrecognized compensation expense related to the outstanding options which, absent significant forfeitures in the future, is expected to be recognized over a weighted average period of approximately 2.0 years.

A summary of stock option activity under the plan for the three months ended March 31, 2012 is as follows:

		Weighted Average	
	Number of Shares	Grant Date Fair Value	Exercise Price
Total Granted and Outstanding - January 1, 2012	1,225,465	$ 10.11	$ 18.45
Granted	150,000	5.62	20.33
Total Granted and Outstanding	1,375,465	9.62	18.65
Approved for grant	150,000	(a)	20.33
Total Awarded and Outstanding - March 31, 2012	1,525,465	n.a.	18.82

(a) Grant date fair value cannot be determined currently because the related performance targets for future years have not yet been established by the Compensation Committee.

There were 340,465 options that have vested and were exercisable at March 31, 2012 at a weighted average exercise price of $19.55 per share. Of the remaining options outstanding, approximately 650,000 of the outstanding options will vest based on the satisfaction of service requirements and 535,000 will vest based on the satisfaction of both service requirements and the achievement of pre-tax income performance targets.

The outstanding options had an intrinsic value of $1.4 million and a weighted average remaining contractual life of 7.3 years at March 31, 2012.

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During 2009, the Compensation Committee approved the award of 750,000 stock options that vest in five equal annual tranches from 2010 to 2014 subject to the acheivement of pre-tax income performance targets established by the Compensation Committee. In March 2012, the Compensation Committee established the 2012 pre-tax income performance target for the fourth tranche of 150,000 stock options awarded in 2009. The fair value of this tranche was determined using the Black-Scholes option pricing model using the following key assumptions:

Risk-free interest rate		0.88%
Expected life of options		4.4 yearss
Expected volatility of underlying stock		53.89%
Expected quarterly dividends (per share)	$	0.00

(10) Financial Commitments

Amended Credit Agreement

On August 3, 2011, the Company entered into a Fifth Amended and Restated Credit Agreement (the "Credit Agreement"), as Borrower, with Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer (the "Lender"). The Credit Agreement allows the Company to borrow up to $300 million on a revolving credit basis (the "Revolving Facility"), with a $50 million sublimit for letters of credit, and an additional $200 million term loan (the "Term Loan"). Subject to certain conditions, the Company has the option to increase the base facility by up to an additional $50 million. Substantially all of the Company's subsidiaries unconditionally guarantee the obligations of the Company under the Credit Agreement. The obligations under the Credit Agreement are secured by a lien on all personal property of the Company and its subsidiaries party thereto. Amounts outstanding under the Credit Agreement bear interest at a rate equal to, at the Company's option, (a) the adjusted British Bankers Association LIBOR rate, as defined, plus 200 to 300 basis points (floor of 200 basis points) based on the ratio of consolidated funded indebtedness of the Company and its subsidiaries to consolidated EBITDA or (b) the higher of the Federal Funds Rate plus 50 basis points, or the prime rate announced by Bank of America, N.A., plus up to 200 basis points based on the ratio of consolidated funded indebtedness of the Company and its subsidiaries to consolidated EBITDA. In addition, the Company has agreed to pay quarterly facility fees ranging from 0.375% to 0.50% per annum of the unused portion of the credit facility. Any outstanding loans under the Revolving Facility mature on August 3, 2016, while the Term Loan includes quarterly installments of principal and interest payable over a five-year period.

The Credit Agreement requires the Company to comply with certain financial and other covenants including minimum net worth, minimum fixed charge coverage and maximum leverage ratios. The Company is currently in compliance with the covenants of the Credit Agreement.

The Company had $18.5 million of outstanding borrowings under its Revolving Facility as of March 31, 2012 and no outstanding borrowings as of December 31, 2011. The Company utilized the Revolving Facility for letters of credit in the amount of $0.2 million and $3.0 million as of March 31, 2012 and December 31, 2011, respectively. Accordingly, at March 31, 2012, the Company had $281.3 million available to borrow under the Credit Agreement.

On August 26, 2011, the Company entered into a swap agreement ("Swap Agreement") with Bank of America, N.A. to establish a long-term interest rate for the Term Loan discussed above. The Swap Agreement pertains to the Term Loan principal balance outstanding at January 31, 2012 and will remain effective through the maturity date of the Term Loan. Amounts outstanding under the Swap Agreement will bear interest at a rate equal to the Applicable Rate, as defined in the Credit Agreement (based upon the Company's consolidated leverage ratio), plus 97.5 basis points. The Swap Agreement includes quarterly installments of principal and monthly installments of interest payable through the maturity date of the Term Loan.

(11) Earnings (Losses) per Common Share

Basic earnings (losses) per common share were computed by dividing net income by the weighted average number of common shares outstanding. Diluted earnings (losses) per common share was similarly computed after giving consideration to the dilutive effect of stock options and restricted stock awards outstanding on the weighted average number of common shares outstanding. The computation of diluted earnings (losses) per common share for the three months ended March 31, 2012 excludes 1,225,465 stock options, and 1,185,832 restricted stock units because the awards would have an antidilutive effect. The computation of diluted earnings per common share for the three months ended March 31, 2011 excludes 415,000 stock options.

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(12) Business Segments

The following tables set forth certain reportable segment information relating to the Company's operations for the three months ended March 31, 2012 and 2011 (in thousands).

	Reportable Segments						
	Building	Civil	Specialty Contractors	Management Services	Totals	Corporate	Consolidated Total
Three Months Ended March 31, 2012							
Total Revenues	$ 343,039	$ 250,589	$ 267,736	$ 68,112	$ 929,476	$ -	$ 929,476
Elimination of intersegment revenues	(2,245)	(1,216)	(298)	(13,183)	(16,942)	-	(16,942)
Revenues from external customers	340,794	249,373	267,438	54,929	912,534	-	912,534
Income from Construction Operations	(8,897)	16,842	19,748	1,886	29,579	(12,616) *	16,963
Three Months Ended March 31, 2011							
Total Revenues	$ 365,483	$ 128,648	$ 91,685	$ 46,035	$ 631,851	$ -	$ 631,851
Elimination of intersegment revenues	(4,863)	(3,603)	-	(8,096)	(16,562)	-	(16,562)
Revenues from external customers	360,620	125,045	91,685	37,939	615,289	-	615,289
Income from Construction Operations	11,252	13,052	928	2,641	27,873	(9,360) *	18,513

* Consists primarily of corporate general and administrative expenses.

(13) Employee Pension Plans

The Company has a defined benefit pension plan and an unfunded supplemental retirement plan. Effective September 1, 2004, all benefit accruals under the Company's pension plan were frozen; however, the current vested benefit was preserved. The pension disclosure presented below includes aggregated amounts for both of the Company's plans. The following table sets forth the net periodic benefit cost by component for the three months ended March 31, 2012 and 2011 (in thousands):

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	Three Months Ended March 31, 2012	Three Months Ended March 31, 2011
Interest cost	$ 1,005	$ 1,108
Expected return on plan assets	(1,186)	(1,254)
Amortization of net loss	1,396	992
Net periodic benefit cost	$ 1,215	$ 846

The Company contributed $0.8 million and $0.6 million to its defined benefit pension plan during the three months ended March 31, 2012 and 2011, respectively. The Company expects to contribute an additional $3.1 million to its defined benefit pension plan during the remainder of fiscal year 2012.

(14) Related Party Transactions

The Company leases certain facilities from Ronald N. Tutor, the Company's Chairman and Chief Executive Officer, and an affiliate owned by Mr. Tutor under non-cancelable operating lease agreements with monthly payments of $0.2 million, which increase at 3% per annum beginning August 1, 2009 and expire on July 31, 2016. Lease expense for these leases, recorded on a straight-line basis, was $0.6 million for the three months ended March 31, 2012 and 2011, respectively.

The Vice Chairman of O&G Industries, Inc. ("O&G") is a director of the Company. O&G occasionally participates in joint ventures with the Company. The Company's share of revenues related to these joint ventures amounted to $1.5 million and $1.6 million (or less than 1%) for the three months ended March 31, 2012 and 2011, respectively. O&G's cumulative holdings of the Company's stock as of March 31, 2012 and 2011 were 600,000 shares, or 1.27% of total common shares outstanding at March 31, 2012.

The Company periodically utilizes flight services from JF Aviation, LLC. James A. Frost is the Owner of JF Aviation, LLC and serves as Executive Vice President and Chief Executive Officer of the Company's Civil segment. During the three months ended March 31, 2012 and 2011, the transactions amounted to approximately $0.3 million and $0, respectively.

(15) Separate Financial Information of Subsidiary Guarantors of Indebtedness

The Company's obligation to pay principal and interest on its 7.625% senior unsecured notes due November 1, 2018, is guaranteed on a joint and several basis by substantially all of the Company's existing and future subsidiaries that guarantee obligations under the Company's Credit Agreement, with certain exceptions (the "Guarantors"). The guarantees are full and unconditional and the Guarantors are 100%-owned by the Company. The following supplemental condensed consolidating financial information reflects the summarized financial information of the Company as the issuer, the Guarantors and the Company's non-guarantor subsidiaries on a combined basis.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING BALANCE SHEET - MARCH 31, 2012 (UNAUDITED)
(In Thousands)

	Tutor Perini Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total Consolidated
ASSETS					
Cash and Cash Equivalents	$ 122,283	$ 41,080	$ 27,051	$ -	$ 190,414
Restricted Cash	26,991	8,459	-	-	35,450
Accounts Receivable	118,747	1,133,784	6,527	(74,845)	1,184,213
Costs and Estimated Earnings in Excess of Billings	91,207	303,315	152	(17,075)	377,599
Deferred Income Taxes	-	15,283	-	(13,325)	1,958
Other Current Assets	64,635	30,534	3,811	(11,118)	87,862
Total Current Assets	423,863	1,532,455	37,541	(116,363)	1,877,496
Long-term Investments	46,283	-	-	-	46,283
Property and Equipment, net	54,482	430,484	5,045	-	490,011
Intercompany Notes and Receivables	82,115	584,299	(12,024)	(654,390)	-
Other Assets:					
Goodwill	-	893,790	-	-	893,790
Intangible Assets, net	-	192,960	-	-	192,960
Investment in Subsidiaries	2,367,114	4	50	(2,367,168)	-
Other	15,396	8,847	20,375	(26,578)	18,040
	$ 2,989,253	$ 3,642,839	$ 50,987	$ (3,164,499)	$ 3,518,580
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current Maturities of Long-term Debt	$ 37,074	$ 23,842	$ -	$ -	$ 60,916
Accounts Payable	49,484	724,778	1,985	(91,920)	684,327
Billings in Excess of Costs and Estimated Earnings	75,406	300,951	34	-	376,391
Accrued Expenses and Other Current Liabilities	71,146	83,399	29,510	(24,443)	159,612
Total Current Liabilities	233,110	1,132,970	31,529	(116,363)	1,281,246
Long-term Debt, less current maturities	515,993	125,686	-	(24,584)	617,095
Deferred Income Taxes	99,916	7,761	-	(1,994)	105,683
Other Long-term Liabilities	106,948	4,221	-	-	111,169
Contingencies and Commitments					
Intercompany Notes and Advances Payable	629,899	18,050	6,441	(654,390)	-
Stockholders' Equity	1,403,387	2,354,151	13,017	(2,367,168)	1,403,387
	$ 2,989,253	$ 3,642,839	$ 50,987	$ (3,164,499)	$ 3,518,580

TUTOR PERINI CORPORATION AND SUBSIDIARIES
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CONDENSED CONSOLIDATING BALANCE SHEET - DECEMBER 31, 2011
(In Thousands)

	Tutor Perini Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total Consolidated
ASSETS					
Cash and Cash Equivalents	$ 134,936	$ 52,492	$ 16,812	$ -	$ 204,240
Restricted Cash	26,985	8,452	-	-	35,437
Accounts Receivable	106,540	1,257,384	10,173	(99,066)	1,275,031
Costs and Estimated Earnings in Excess of Billings	103,418	254,828	152	-	358,398
Deferred Income Taxes	-	-	-	-	-
Other Current Assets	53,513	48,218	2,767	(27,570)	76,928
Total Current Assets	425,392	1,621,374	29,904	(126,636)	1,950,034
Long-term Investments	62,311	-	-	-	62,311
Property and Equipment, net	49,343	436,921	5,113	-	491,377
Intercompany Notes and Receivables	9,232	705,371	(10,761)	(703,842)	-
Other Assets:					
Goodwill	-	892,602	-	-	892,602
Intangible Assets, net	-	197,999	-	-	197,999
Investment in Subsidiaries	2,431,150	300	50	(2,431,500)	-
Other	13,830	9,183	20,375	(24,584)	18,804
	$ 2,991,258	$ 3,863,750	$ 44,681	$ (3,286,562)	$ 3,613,127
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current Maturities of Long-term Debt	$ 36,105	$ 23,854	$ -	$ -	$ 59,959
Accounts Payable	40,072	844,664	55	(99,066)	785,725
Billings in Excess of Costs and Estimated Earnings	58,877	325,371	34	-	384,282
Accrued Expenses and Other Current Liabilities	39,870	123,598	27,370	(27,570)	163,268
Total Current Liabilities	174,924	1,317,487	27,459	(126,636)	1,393,234
Long-term Debt, less current maturities	507,482	129,650	-	(24,584)	612,548
Deferred Income Taxes	89,798	8,123	-	-	97,921
Other Long-term Liabilities	104,740	4,857	-	-	109,597
Contingencies and Commitments					
Intercompany Notes and Advances Payable	714,487	(15,835)	5,190	(703,842)	-
Stockholders' Equity	1,399,827	2,419,468	12,032	(2,431,500)	1,399,827
	$ 2,991,258	$ 3,863,750	$ 44,681	$ (3,286,562)	$ 3,613,127

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS (UNAUDITED)
THREE MONTHS ENDED MARCH 31, 2012
(In Thousands)

	Tutor Perini Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total Consolidated
Revenues	$ 69,125	$ 861,695	$ -	$ (18,286)	$ 912,534
Cost of Operations	62,694	785,894	(3,927)	(18,286)	826,375
Gross Profit	6,431	75,801	3,927	-	86,159
General and Administrative Expenses	18,909	49,718	569	-	69,196
INCOME (LOSS) FROM CONSTRUCTION OPERATIONS	(12,478)	26,083	3,358	-	16,963
Equity in Earnings of Subsidiaries	17,532	-	-	(17,532)	-
Other Income (Expense), net	(2,064)	(476)	232	-	(2,308)
Interest Expense	(10,071)	(1,011)	-	-	(11,082)
Income (loss) before Income Taxes	(7,081)	24,596	3,590	(17,532)	3,573
(Provision) Credit for Income Taxes	5,878	(9,297)	(1,357)	-	(4,776)
NET (LOSS) INCOME	$ (1,203)	$ 15,299	$ 2,233	$ (17,532)	$ (1,203)

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS (UNAUDITED)
THREE MONTHS ENDED MARCH 31, 2011
(In Thousands)

	Tutor Perini Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total Consolidated
Revenues	$ 85,358	$ 477,129	$ 69,365	$ (16,563)	$ 615,289
Cost of Operations	70,916	438,274	60,199	(16,563)	552,826
Gross Profit	14,442	38,855	9,166	-	62,463
General and Administrative Expenses	15,317	23,618	5,015	-	43,950
INCOME (LOSS) FROM CONSTRUCTION OPERATIONS	(875)	15,237	4,151	-	18,513
Equity in Earnings of Subsidiaries	11,046	-	-	(11,046)	-
Other Income (Expense), net	1,026	(1,493)	20	-	(447)
Interest Expense	(6,636)	(519)	-	-	(7,155)
Income (loss) before Income Taxes	4,561	13,225	4,171	(11,046)	10,911
(Provision) Credit for Income Taxes	2,368	(4,827)	(1,523)	-	(3,982)
NET INCOME	$ 6,929	$ 8,398	$ 2,648	$ (11,046)	$ 6,929

TUTOR PERINI CORPORATION AND SUBSIDIARIES
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CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS (UNAUDITED)
THREE MONTHS ENDED MARCH 31, 2012
(In Thousands)

	Tutor Perini Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total Consolidated
Cash Flows from Operating Activities:					
Net (loss) income	$ (1,203)	$ 15,299	$ 2,233	$ (17,532)	$ (1,203)
Adjustments to reconcile net income to net cash from operating activities:					
Depreciation and amortization	1,175	14,547	68	-	15,790
Equity in earnings of subsidiaries	(17,532)	-	-	17,532	-
Stock-based compensation expense	3,419	-	-	-	3,419
Deferred income taxes	5,765	(72)	-	-	5,693
(Gain) Loss on sale of equipment	23	(102)	-	-	(79)
Loss on sale of investments	2,699	-	-	-	2,699
Other long-term liabilities	840	(626)	-	-	214
Other non-cash items	586	445	-	-	1,031
Changes in other components of working capital	33,476	(92,750)	6,672	-	(52,602)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 29,248	$ (63,259)	$ 8,973	$ -	$ (25,038)
Cash Flows from Investing Activities:					
Business acquisition related payments	(1,188)	-	-	-	(1,188)
Acquisition of property and equipment	(5,761)	(4,888)	-	-	(10,649)
Proceeds from sale of property and equipment	-	3,968	-	-	3,968
Investments in available-for-sale securities	-	(535)	-	-	(535)
Proceeds from sale of available-for-sale securities	16,553	-	-	-	16,553
Change in restricted cash	(6)	(7)	-	-	(13)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	$ 9,598	$ (1,462)	$ -	$ -	$ 8,136
Cash Flows from Financing Activities:					
Proceeds from debt	98,500	-	-	-	98,500
Repayment of debt	(89,076)	(6,031)	-	-	(95,107)
Issuance of common stock and effect of cashless exercise	(307)	-	-	-	(307)
Debt issuance costs	(10)	-	-	-	(10)
Increase (decrease) in intercompany advances	(60,606)	59,340	1,266	-	-
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	$ (51,499)	$ 53,309	$ 1,266	$ -	$ 3,076
Net Increase (Decrease) in Cash and Cash Equivalents	(12,653)	(11,412)	10,239	-	(13,826)
Cash and Cash Equivalents at Beginning of Year	134,936	52,492	16,812	-	204,240
Cash and Cash Equivalents at End of Period	$ 122,283	$ 41,080	$ 27,051	$ -	$ 190,414

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS (UNAUDITED)
THREE MONTHS ENDED MARCH 31, 2011
(In Thousands)

	Tutor Perini Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total Consolidated
Cash Flows from Operating Activities:					
Net (loss) income	$ 6,929	$ 8,398	$ 2,648	$ (11,046)	$ 6,929
Adjustments to reconcile net income to net cash from operating activities:					
Depreciation and amortization	1,503	5,792	748	-	8,043
Equity in earnings of subsidiaries	(11,046)	-	-	11,046	-
Stock-based compensation expense	3,615	-	-	-	3,615
Excess income tax benefit from stock-based compensation	(18)	-	-	-	(18)
Deferred income taxes	(293)	(118)	-	-	(411)
Loss (gain) on sale of equipment	-	598	(2)	-	596
Other long-term liabilities	182	(425)	-	-	(243)
Other non-cash items	44	20	-	-	64
Changes in other components of working capital	(7,647)	(65,022)	6,440	-	(66,229)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ (6,731)	$ (50,757)	$ 9,834	$ -	$ (47,654)
Cash Flows from Investing Activities:					
Acquisition of Fisk Electric, net of cash balance acquired	(70,620)	-	-	-	(70,620)
Business acquisition related payments	(3,000)	-	-	-	(3,000)
Acquisition of property and equipment	(1,097)	(7,373)	(462)	-	(8,932)
Proceeds from sale of property and equipment	-	891	2	-	893
Change in restricted cash	(8)	-	-	-	(8)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	$ (74,725)	$ (6,482)	$ (460)	$ -	$ (81,667)
Cash Flows from Financing Activities:					
Proceeds from long-term debt	7,276	50,899	-	-	58,175
Repayment of long-term debt	(6,431)	(26,688)	-	-	(33,119)
Excess income tax benefit from stock-based compensation	18	-	-	-	18
Debt issuance costs	(25)	-	-	-	(25)
Increase (decrease) in intercompany advances	33,786	(35,211)	1,425	-	-
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	$ 34,624	$ (11,000)	$ 1,425	$ -	$ 25,049
Net Increase (Decrease) in Cash and Cash Equivalents	(46,832)	(68,239)	10,799	-	(104,272)
Cash and Cash Equivalents at Beginning of Year	222,156	220,086	29,136	-	471,378
Cash and Cash Equivalents at End of Period	$ 175,324	$ 151,847	$ 39,935	$ -	$ 367,106

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discusses our financial position at March 31, 2012, and the results of our operations for the three months ended March 31, 2012 and should be read in conjunction with: (1) the unaudited consolidated condensed financial statements and notes contained herein, and (2) the consolidated financial statements and accompanying notes to our Annual Report on Form 10-K for the fiscal year ended December 31, 2011.

Overview

We were incorporated in 1918 as a successor to businesses that had been engaged in providing construction services since 1894. We provide diversified general contracting, construction management and design-build services to private clients and public agencies throughout the world. Our construction business is conducted through four basic segments or operations: Civil, Building, Specialty Contractors and Management Services. Our Civil segment specializes in public works construction and the repair, replacement and reconstruction of infrastructure, including highways, bridges, mass transit systems and water and wastewater treatment facilities, primarily in the western, northeastern and mid-Atlantic United States. Our Building segment has significant experience providing services to a number of specialized building markets, including the hospitality and gaming, transportation, healthcare, municipal offices, sports and entertainment, educational, correctional facilities, biotech, pharmaceutical and high-tech markets. Our Specialty Contractors segment specializes in plumbing, HVAC, electrical, mechanical, and pneumatically placed concrete for a full range of civil, building and management services construction projects in the industrial, commercial, hospitality and gaming, and transportation end markets, among others. Our Management Services segment provides diversified construction and design-build services to the U.S. military and federal government agencies, as well as surety companies and multi-national corporations in the United States and overseas.

The contracting and management services that we provide consist of general contracting, pre-construction planning and comprehensive management services, including planning and scheduling the manpower, equipment, materials and subcontractors required for the timely completion of a project in accordance with the terms and specifications contained in a construction contract. We also offer self-performed construction services including site work, concrete forming and placement, steel erection, electrical and mechanical, plumbing and HVAC. We provide these services by using traditional general contracting arrangements, such as fixed price, guaranteed maximum price and cost plus fee contracts and, to a lesser extent, construction management or design-build contracting arrangements. In the ordinary course of our business, we enter into arrangements with other contractors, referred to as "joint ventures," for certain construction projects. Each of the joint venture participants is usually committed to supply a predetermined percentage of capital, as required, and to share in a predetermined percentage of the income or loss of the project. Generally, each joint venture participant is fully liable for the obligations of the joint venture.

We believe our leadership position as the contractor of choice for large, complex civil and nonresidential building projects will support our long term backlog growth and provide further visibility into the future earnings of our business. As evidenced by our recently announced award for the Hudson Yards development project, which will be booked into backlog as various phases are released, we believe that our increased self-performance and schedule control capabilities will lead to additional large scale Civil and Building backlog awards through the remainder of 2012.

For the three months ended March 31, 2012, we recorded revenues of $912.5 million, income from construction operations of $17.0 million and a net loss of $1.2 million as compared to revenues of $615.3 million, income from construction operations of $18.5 million and net income of $6.9 million for the three months ended March 31, 2011. Our volume increased during 2012 primarily due to the contributions from our acquisitions, however our operating margins decreased due to several factors including: the substantial completion of several successful large public works projects in early 2011, the timing of approval of change orders on certain Civil segment jobs, and delays relating to the timing of new awards and the startup of pending awards. We continue to experience strong contributions from our Specialty Contractors segment, consistent with our strategy of focusing on the growth of our self-performance capabilities. Our Management Services segment continues its focus on obtaining new work with various U.S government agencies, including the U.S. military, both domestically and abroad. Our operating results also reflect the impacts of a $3.6 million increase to our provision for income taxes due to discrete tax adjustments identified during the period as well as a $2.7 million loss on the sale of a portion of our auction rate securities. We also had increased interest expense with our term loan which was entered into in August 2011, and increased amortization of acquisition-related intangible assets.

At March 31, 2012, we had working capital of $596.3 million, a ratio of current assets to current liabilities of 1.47 to 1.00, and a ratio of long-term debt to equity of 0.44 to 1.00 as compared to working capital of $556.8 million, a ratio of current assets to current liabilities of 1.40 to 1.00 and a ratio of long-term debt to equity of 0.44 to 1.00 at December 31, 2011. Our stockholders' equity remained at $1.4 billion as of March 31, 2012, consistent with our stockholders' equity at December 31, 2011.

Recent Developments

Backlog of $5.9 Billion

Our backlog of uncompleted construction work at March 31, 2012 was approximately $5.9 billion compared to $6.1 billion at December 31, 2011. During the first quarter of 2012 we converted a number of pending awards into backlog across each of our business segments, and we had significant adjustments to existing contracts. Significant awards include a $97 million casino in Louisiana, an $82 million casino in Arizona, $72 million of civil infrastructure projects in the Midwest, and a $49 million mechanical subcontract for the Alaskan Way Viaduct project in Seattle where one of our Civil segment subsidiaries is a general contractor joint venture partner. In addition, we have pending contract awards, including the Hudson Yards development project, and prospects for both public and private sector customers that we expect will enter our backlog in 2012 as we continue to leverage our self-performance and schedule control capabilities.

(dollars in millions)	Backlog at December 31, 2011	New Business Awarded [1]	Revenues Recognized	Backlog at March 31, 2012
Building	$ 2,248.9	$ 287.3	$ (340.8)	$ 2,195.4
Civil	2,222.2	175.9	(249.4)	2,148.7
Specialty Contractors	1,371.5	207.2	(267.4)	1,311.3
Management Services	265.7	50.6	(54.9)	261.4
Total	$ 6,108.3	$ 721.0	$ (912.5)	$ 5,916.8

(1) New business awarded consists of the original contract price of projects added to our backlog plus or minus subsequent changes to the estimated total contract price of existing changes.

Critical Accounting Policies

Our significant accounting policies are described in Note 1 of Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2011. Our critical accounting policies are also identified and discussed in Item 7 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2011. During the three months ended March 31, 2012, we adopted the following accounting pronouncements that were issued in 2011:

In May 2011, the Financial Accounting Standard Board ("FASB") issued a staff position amending existing guidance for fair value measurements and disclosures in both interim and annual financial statements. This update expands the disclosures for fair value measurements that are estimated using significant unobservable (Level 3) inputs. Other than requiring additional disclosures, adoption of this update has not had a material effect on our consolidated financial statements.

In June 2011, the FASB issued a staff position which requires an entity to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income, or in two separate but consecutive statements. This update eliminates the option to present components of other comprehensive income as part of the statement of equity. The adoption of this update has not had a material effect on our consolidated financial statements.

In September 2011, the FASB issued a staff position that gives an entity the option to make a qualitative evaluation about the likelihood of goodwill impairment. An entity that adopts this option will be required to perform the two-step impairment test only if it concludes that the fair value of a reporting unit is more likely than not less than its carrying value. On January 1, 2012, we adopted this option. The adoption of this option has not had a material effect on the Company's consolidated financial statements, but it may impact the manner in which the Company performs testing for goodwill impairment.

Results of Operations

Comparison of the Three Months Ended March 31, 2012 with the Three Months Ended March 31, 2011

For the three months ended March 31, 2012, we recorded revenues of $912.5 million, income from construction operations of $17.0 million and a net loss of $1.2 million as compared to revenues of $615.3 million, income from construction operations of $18.5 million and net income of $6.9 million for the first quarter of March 31, 2011. Basic and diluted losses per common share for 2012 were $0.03 and $0.03, respectively, as compared to basic and diluted earnings per common share of $0.15 and $0.14, respectively, for 2011.

	Revenues for the Three months ended March 31,			
(dollars in millions)	**2012**	**2011**	**$ Change**	**% Change**
Building	$ 340.8	$ 360.7	$ (19.9)	(5.5)%
Civil	249.4	125.0	124.4	99.5%
Specialty Contractors	267.4	91.7	175.7	191.6%
Management Services	54.9	37.9	17.0	44.9%
Total	$ 912.5	$ 615.3	$ 297.2	48.3%

Building segment revenues decreased by $19.9 million (or 5.5%), from $360.7 million in 2011 to $340.8 million in 2012, due primarily to the substantial completion of a large, successful public works project in Las Vegas and large hospitality and gaming projects in New York and Las Vegas. This decrease was partly offset by the acquisition of Anderson Companies ("Anderson"), which contributed approximately $118.5 million in revenues.

Civil segment revenues increased by $124.4 million (or 99.5%), from $125.0 million in 2011 to $249.4 million in 2012, due primarily to the acquisitions of Frontier-Kemper Constructors, Inc. ("Frontier-Kemper"), Lunda Construction Company ("Lunda") and Becho, Inc. ("Becho") which contributed approximately $126.9 million in revenues in the aggregate.

Specialty Contractors segment revenues increased by $175.7 million (or 191.6%), from $91.7 million in 2011 to $267.4 million in 2012, due primarily to the acquisition of Five Star Electric Corporation ("FSE"), WDF, Inc. ("WDF") and Nagelbush Mechanical, Inc. ("Nagelbush") in mid 2011 which contributed approximately $188.9 million in revenues in the aggregate.

Management Services segment revenues increased by $17.0 million (or 44.9%), from $37.9 million in 2011 to $54.9 million in 2012, due primarily to continued progress on a task order contract for containerized housing in southern Iraq and an air force base project in the eastern United States.

(dollars in millions)	Income (Loss) from Construction Operations for the Three months ended March 31, 2012	2011	$ Change	% Change
Building	$ (8.9)	$ 11.3	$ (20.2)	(178.8)%
Civil	16.9	13.1	3.8	29.0%
Specialty Contractors	19.7	0.9	18.8	*NM*
Management Services	1.9	2.6	(0.7)	(26.9)%
Corporate	(12.6)	(9.4)	(3.2)	(34.0)%
Total	$ 17.0	$ 18.5	$ (1.5)	(8.1)%

**NM– Not Meaningful*

Building segment income from construction operations decreased $20.2 million (or 178.8%), from $11.3 million in 2011 to a loss of $8.9 million in 2012, due primarily to the underlying change in mix of work from public to the more competitive private market, increased general and administrative expenses from the Anderson acquisition, and costs associated with the mobilization of operations on the east coast where we have several high quality pending award and prospect projects, led by the recently announced Hudson Yards development project.

Civil segment income from construction operations increased by $3.8 million (or 29.0%), from $13.1 million in 2011 to $16.9 million in 2012, due primarily to the contributions from our acquisitions discussed above of $11.0 million (net of intangible assets amortization). This increase was partly offset by a decline in operating margin caused by work performed under unapproved change orders, which we expect will provide additional profit in the period in which the change orders are approved, and the substantial completion of several successful public works projects on the east coast in early 2011.

Specialty Contractors segment income from construction operations increased by $18.8 million, from $0.9 million in 2011 to income of $19.7 million in 2012, due primarily to the acquisitions discussed above which contributed approximately $18.2 million in income from construction operations (net of intangible assets amortization) in the aggregate.

Management Services segment income from construction operations decreased by $0.7 million (or 26.9%), from $2.6 million in 2011 to $1.9 million in 2012, due primarily to the substantial completion of a successful U.S. military facility project in Iraq in early 2011 and increased competition for new work.

Corporate general and administrative expenses increased by $3.2 million (or 34.0%) from $9.4 million in 2011 to $12.6 million in 2012 due primarily to a change in our methodology of allocating corporate expenses to our segments as well as additional acquisition and integration-related expenses in 2012.

Consolidated Other Income, Interest Expense and Provision for Income Taxes

(dollars in millions)	March 31, 2012	March 31, 2011	$ Change	% Change
Three months ended				
Other Income (Expense), net	$ (2.3)	$ (0.4)	$ (1.9)	**NM*
Interest Expense	(11.1)	(7.2)	(3.9)	(54.2)%
Provision for Income Taxes	(4.8)	(4.0)	(0.8)	(20.0)%

**NM– Not Meaningful*

Other income (expense), net decreased by $1.9 million from expense of $0.4 million in 2011 to expense of $2.3 million in 2012, due primarily to a loss on the sale of a portion of our auction rate securities. Interest expense increased by $3.9 million from $7.2 million in 2011 to $11.1 million in 2012, due primarily to interest expense on our term loan which was entered into in August 2011. The provision for income taxes increased from $4.0 million in 2011 to $4.8 million in 2012. The effective tax rate was 133.7% for 2012 and 36.5% for 2011. The 2012 provision for income taxes includes discrete items of $3.6 million, related to an increase in unrecognized tax benefits and an adjustment, both associated with certain stock-based compensation items identified during the current period. We expect our 2012 fiscal year tax rate to approximate 38.0%, excluding these discrete items.

Liquidity and Capital Resources

Cash and Working Capital

At March 31, 2012 and December 31, 2011, cash held by us and available for general corporate purposes was $88.1 million and $109.2 million, respectively. Our proportionate share of cash held by joint ventures and available only for joint venture-related uses, including distributions to joint venture partners, was $102.3 million and $95.1 million at March 31, 2012 and December 31, 2011, respectively, and our restricted cash was $35.4 million at March 31, 2012 and December 31, 2011.

A summary of cash flows for each of the three months ended March 31, 2012 and 2011 is set forth below:

	Three Months Ended March 31,	
(dollars in millions)	2012	2011
Cash flows from:		
Operating activities	$ (25.0)	$ (47.7)
Investing activities	8.1	(81.7)
Financing activities	3.1	25.1
Net (decrease) increase in cash	(13.8)	(104.3)
Cash at beginning of year	204.2	471.4
Cash at end of period	$ 190.4	$ 367.1

During the three months ended March 31, 2012, we used $25.0 million in cash to fund operating activities, primarily due to the timing of collections in the Building and Specialty Contractors segments. We received $8.1 million in cash from investing activities, due primarily to the sale of several of our auction rate securities offset by cash used to purchase construction equipment. We received $3.1 million in cash from financing activities, primarily due to our outstanding borrowings under our revolving facility offset cash used for scheduled debt repayments.

At March 31, 2012, we had working capital of $596.3 million, a ratio of current assets to current liabilities of 1.47 to 1.00, and a ratio of long-term debt to equity of 0.44 to 1.00 as compared to working capital of $556.8 million, a ratio of current assets to current liabilities of 1.40 to 1.00 and a ratio of long-term debt to equity of 0.44 to 1.00 at December 31, 2011.

Long-term Investments

At March 31, 2012, we had investments in auction rate securities ("ARS") of $46.3 million, which are reflected at fair value. Our investment policy is to manage our assets to achieve our goals of preserving principal, maintaining adequate liquidity at all times, and maximizing returns subject to our investment guidelines. The current overall liquidity concerns in capital markets have affected our ability to liquidate many of our investments in auction rate securities. As such, we classified our ARS as "available-for-sale" Long-term Investments. Based on our ability to access our cash equivalent investments and our available revolving facility, we do not expect that the short-term lack of liquidity of our ARS investments will materially affect our overall liquidity position or our ability to execute our current business plan. During the three months ended March 31, 2012, we received approximately $16.6 million in proceeds from the sale of certain of our ARS holdings. For a description of our accounting for our ARS, see Note 5 of Notes to Consolidated Condensed Financial Statements.

Long-term Debt

We had $18.5 million in outstanding borrowings under our revolving facility as of March 31, 2012, and we utilized the revolving facility for outstanding letters of credit in the amount of $0.2 million. Accordingly, at March 31, 2012, we had $281.3 million available to borrow under our credit agreement. We believe that our financial position and credit arrangements are sufficient to support our current backlog and anticipated new work.

Long-term debt, excluding current maturities of $60.9 million, was $617.1 million at March 31, 2012, an increase of $4.6 million from $612.5 million at December 31, 2011 primarily due to outstanding borrowings on our revolving facility. Our long-term debt to equity ratio remained at 0.44x at March 31, 2012, consistent with the ratio as of December 31, 2011.

There were no other material changes in our contractual obligations during the three months ended March 31, 2012.

Off-Balance Sheet Arrangements

We do not have any financial partnerships with unconsolidated entities, such as entities often referred to as structured finance, special purpose entities or variable interest entities which are often established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. Accordingly, we are not exposed to any financing, liquidity, market or credit risk that could arise if we had such relationships.

Dividends

There were no cash dividends declared or paid on our outstanding common stock during the three months ended March 31, 2012.

Forward-looking Statements

The statements contained in this Management's Discussion and Analysis of the Consolidated Condensed Financial Statements on Form 10-Q that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including without limitation, statements regarding our management's expectations, hopes, beliefs, intentions or strategies regarding the future. These forward-looking statements are based on our current expectations and beliefs concerning future developments and their potential effects on us. There can be no assurance that future developments affecting us will be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to:

- our ability to win new contracts and convert backlog into revenue;
- our ability to successfully and timely complete construction projects;
- our ability to realize the anticipated economic and business benefits of our acquisitions and our strategy to assemble and operate a Specialty Contractors business segment;
- the potential delay, suspension, termination or reduction in scope of a construction project;
- the continuing validity of the underlying assumptions and estimates of total forecasted project revenues, costs and profits and project schedules;
- the outcomes of pending or future litigation, arbitration or other dispute resolution proceedings;
- the availability of borrowed funds on terms acceptable to us;
- the ability to retain certain members of management;
- the ability to obtain surety bonds to secure our performance under certain construction contracts;
- possible labor disputes or work stoppages within the construction industry;
- changes in federal and state appropriations for infrastructure projects and the impact of changing economic conditions on federal, state and local funding for infrastructure projects;
- possible changes or developments in international or domestic political, social, economic, business, industry, market and regulatory conditions or circumstances;
- actions taken or not taken by third parties including our customers, suppliers, business partners, and competitors and legislative, regulatory, judicial and other governmental authorities and officials; and
- other risks and uncertainties discussed under the heading "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2011 filed with the Securities and Exchange Commission on March 2, 2012.

We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There has been no material change in our exposure to market risk from that described in Item 7A of our Annual Report on Form 10-K for the year ended December 31, 2011, filed with the Securities and Exchange Commission on March 2, 2012.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

As required by Rule 13a-15(b) under the Securities Exchange Act of 1934 (the "Exchange Act"), as of the end of the period covered by this report, we carried out an evaluation under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). In designing and evaluating our disclosure controls and procedures, we recognize that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management necessarily was required to apply its judgment in evaluating and implementing possible controls and procedures. The effectiveness of our disclosure controls and procedures is necessarily limited by the staff and other resources available to us and, although we have designed our disclosure controls and procedures to address the geographic diversity of our operations, this diversity inherently may limit the effectiveness of those controls and procedures. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Controls Over Financial Reporting

There was no change in our internal control over financial reporting that occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. As part of our integration of our recent acquisitions, we have substantially completed the process of incorporating our controls and procedures into the operations of these newly acquired entities.

In connection with Rule 13a-15(b) under the Securities Exchange Act of 1934, we will continue to review and assess the adequacy of our disclosure controls and procedures, including our internal control over financial reporting, and may from time to time make changes aimed at enhancing their effectiveness and to ensure that our systems evolve with our business.

Part II. - Other Information

Item 1. Legal Proceedings

From time to time in the ordinary course of business, we are subject to claims, asserted or unasserted, or named as a party to lawsuits or investigations. Litigation can be expensive and disruptive to normal business operations. Moreover, the results of legal proceedings cannot be predicted with any certainty and, in the case of more complex legal proceedings, the results are difficult to predict at all. We disclosed information about certain of our legal proceedings in Part I, Item 3 of our Annual Report on Form 10-K for the year ended December 31, 2011. For an update to those disclosures, see Note 7 of Notes to Consolidated Condensed Financial Statements.

Item 1A. Risk Factors

Information regarding risk factors affecting our business is discussed in our Annual Report on Form 10-K for the year ended December 31, 2011. There have been no material changes from those risk factors during the three months ended March 31, 2012.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

There were no repurchases by the Company of its equity securities during the three months ended March 31, 2012. The Company acquired 19,657 shares from several employees in connection with the settlement of income tax and related benefit withholding obligations arising from vesting in restricted stock units.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Section 1503 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") requires domestic mine operators to disclose violations and orders issued under the Federal Mine Safety and Health Act of 1977 (the "Mine Act") by the federal Mine Safety and Health Administration. We do not act as the owner of any mines but we may act as a mining operator as defined under the Mine Act where we may be an independent contractor performing services or construction of such mine.

Information concerning mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd-Frank Act and Item 104 Regulation S-K is included in Exhibit 95.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit 2.1	Stock Purchase Agreement dated July 1, 2011 by and among Tutor Perini Corporation, Lunda Construction Company, and each of the Shareholders of Lunda Construction Company (incorporated by reference to Exhibit 2.1 to Form 8-K filed on July 6, 2011). Exhibits, schedules (or similar attachments) to the Stock Purchase Agreement are not filed. The Company will furnish supplementally a copy of any omitted exhibit or schedule to the Securities and Exchange Commission upon request.
Exhibit 2.2	Agreement and Plan of Merger dated July 1, 2011 by and among Tutor Perini Corporation, GreenStar Services Corporation, Galaxy Merger, Inc., and GreenStar IH Rep LLC (incorporated by reference to Exhibit 2.2 to Form 8-K filed on July 6, 2011). Exhibits, schedules (or similar attachments) to the Agreement and Plan of Merger are not filed. The Company will furnish supplementally a copy of any omitted exhibit or schedule to the Securities and Exchange Commission upon request.
Exhibit 3.1	Restated Articles of Organization (incorporated by reference to Exhibit 4 to Form S-2 (File No. 33-28401) filed on April 28, 1989).
Exhibit 3.2	Articles of Amendment to the Restated Articles of Organization of Perini Corporation (incorporated by reference to Exhibit 3.2 to Form S-1 (File No. 333-111338) filed on December 19, 2003).

Exhibit 3.3	Articles of Amendment to the Restated Articles of Organization of Perini Corporation (incorporated by reference to Exhibit 3.1 to Form 8-K filed on April 12, 2000).
Exhibit 3.4	Articles of Amendment to the Restated Articles of Organization of Perini Corporation (incorporated by reference to Exhibit 3.1 to Form 8-K filed on September 11, 2008).
Exhibit 3.5	Articles of Amendment to the Restated Articles of Organization of Perini Corporation (incorporated by reference to Exhibit 3.5 to Form 10-Q filed on August 10, 2009).
Exhibit 3.6	Second Amended and Restated By-laws of Tutor Perini Corporation (incorporated by reference to Exhibit 3.1 to Form 8-K filed on November 24, 2009).
Exhibit 4.1	Shareholders Agreement, dated as of April 2, 2008, by and among Tutor Perini Corporation, Ronald N. Tutor and the shareholders of Tutor-Saliba Corporation signatory thereto (incorporated by reference to Exhibit 4.1 to Form 8-K filed on April 7, 2008).
Exhibit 4.2	Amendment No. 1 to the Shareholders Agreement, dated as of September 17, 2010, by and between Tutor Perini Corporation and Ronald N. Tutor, as shareholder representative (incorporated by reference to Exhibit 4.1 to Form 8-K filed on September 20, 2010).
Exhibit 4.3	Amendment No. 2 to the Shareholders Agreement, dated as of June 2, 2011, by and between Tutor Perini Corporation and Ronald N. Tutor, as shareholder representative (incorporated by reference to Exhibit 4.1 to Form 8-K filed on June 6, 2011).
Exhibit 4.4	Amendment No. 3 to the Shareholders Agreement, dated as of September 13, 2011, by and between Tutor Perini Corporation and Ronald N. Tutor, as shareholder representative (incorporated by reference to Exhibit 4.1 to Form 8-K filed on September 16, 2011).
Exhibit 4.5	Indenture, dated October 20, 2010, by and among Tutor Perini Corporation, certain subsidiary guarantors named therein and Wilmington Trust FSB, as trustee (incorporated by reference to Exhibit 4.1 to Form 8-K filed on October 21, 2010).
Exhibit 4.6	Registration Rights Agreement dated October 20, 2010, by and among Tutor Perini Corporation, certain subsidiary guarantors named therein and the initial purchasers named therein (incorporated by reference to Exhibit 4.2 to Form 8-K filed on October 21, 2010).
Exhibit 10.1	Fifth Amended and Restated Credit Agreement, dated as of August 3, 2011, among Tutor Perini Corporation, the subsidiaries of Tutor Perini named therein, and Bank of America, N.A., and the other lenders that are parties thereto (incorporated by reference to Exhibit 10.3 to Form 10-Q filed on August 4, 2011).
Exhibit 10.2	Promissory Note, dated July 1, 2011, issued by Tutor Perini Corporation to GreenStar IH Rep LLC, in its capacity as the Interest Holder Representative on behalf of certain equity holders of GreenStar (incorporated by reference to Exhibit 10.1 to Form 8-K filed on July 6, 2011).
Exhibit 31.1	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 – filed herewith.
Exhibit 31.2	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 – filed herewith.
*Exhibit 32.1	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 – filed herewith.

*Exhibit 32.2	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 – filed herewith.
Exhibit 95	Mine Safety Disclosure – filed herewith.
**Exhibit 101	The following materials from Tutor Perini Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2012, formatted in XBRL (eXtensible Business Reporting Language): (1) Consolidated Condensed Statements of Operations for the three months ended March 31, 2012 and 2011, (2) Consolidated Condensed Balance Sheets as of March 31, 2012 and December 31, 2011, (3) Consolidated Condensed Statements of Comprehensive Income for the three months ended March 31, 2012 and 2011, (4) Consolidated Condensed Statements of Stockholders' Equity for the three months ended March 31, 2012, (5) Consolidated Condensed Statements of Cash Flows for the three months ended March 31, 2012 and 2011 and (6) Notes to Consolidated Condensed Financial Statements, tagged as blocks of text.

* These certifications are being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and are not being filed as part of this Quarterly Report on Form 10-Q or as a separate disclosure document.

** Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Tutor Perini Corporation
Registrant

Date: May 4, 2012

/s/Michael J. Kershaw
Michael J. Kershaw, Executive Vice President and Chief Financial Officer
Duly Authorized Officer and Principal Financial Officer

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Ronald N. Tutor, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Tutor Perini Corporation (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2012

/s/Ronald N. Tutor
Ronald N. Tutor
Chairman and Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael J. Kershaw, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Tutor Perini Corporation (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2012

/s/Michael J. Kershaw
Michael J. Kershaw
Executive Vice President and Chief Financial Officer

Exhibit 32.1

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of Tutor Perini Corporation (the "Company") on Form 10-Q for the period ending March 31, 2012 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ronald N. Tutor, Chairman and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 4, 2012

/s/Ronald N. Tutor
Ronald N. Tutor
Chairman and Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to Tutor Perini Corporation and will be retained by Tutor Perini Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Tutor Perini Corporation (the "Company") on Form 10-Q for the period ending March 31, 2012 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael J. Kershaw, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 4, 2012

/s/Michael J. Kershaw
Michael J. Kershaw
Executive Vice President and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Tutor Perini Corporation and will be retained by Tutor Perini Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 95

MINE SAFETY DISCLOSURE

Section 1503 of the Dodd-Frank Wall Street Reform and Consumer Protection Act requires domestic mine operators to disclose violations and orders issued under the Federal Mine Safety and Health Act of 1977 (the "Mine Act") by the federal Mine Safety and Health Administration ("MSHA"). We do not act as the owner of any mines but we may act as a mining operator as defined under the Mine Act where we may be a lessee of a mine, a person who operates, controls or supervises such mine, or as an independent contractor performing services or construction at such mines. Due to timing and other factors, the data may not agree with the mine data retrieval system maintained by MSHA.

The following table provides information for the three months ended March 31, 2012.

Mine/MSHA Identification # (1)	Mine Act §104 Violations (2)	Mine Act §104(b) Orders (3)	Mine Act §104(d) Citations and Orders (4)	Mine Act §110(b)(2) Violations (5)	Mine Act §107(a) Orders (6)	Proposed Assessments from MSHA (In dollars ($))	Mining Related Fatalities	Mine Act §104(e) Notice (yes/no) (7)	Pending Legal Action before Federal Mine Safety and Health Review Commission (yes/no)
Three months ended March 31, 2012									
Barrick Cortez	0	0	0	0	0	$ 9,676	0	No	No
Gibson South	0	0	0	0	0	Pending	0	No	No
Century Slope	0	0	0	0	0	$ -	0	No	No
Greenbrier	0	0	0	0	0	$ -	0	No	No
White Oak	0	0	0	0	0	$ -	0	No	No
Oaktown Fuels	0	0	0	0	0	$ -	0	No	No
Dodge Hill	0	0	0	0	0	$ -	0	No	No
Advent	0	0	0	0	0	$ -	0	No	No
Bowie Resources	0	0	0	0	0	$ -	0	No	No
Drummond Coal	0	0	0	0	0	$ -	0	No	No
Williamson Energy	0	0	0	0	0	$ -	0	No	No
Sugar Camp Energy	0	0	0	0	0	$ -	0	No	No

(1) United States mines.

(2) The total number of violations received from MSHA under §104 of the Mine Act, which includes citations for health or safety standards that could significantly and substantially contribute to a serious injury if left unabated.

(3) The total number of orders issued by MSHA under §104(b) of the Mine Act, which represents a failure to abate a citation under §104 (a) within the period of time prescribed by MSHA.

(4) The total number of citations and orders issued by MSHA under §104 (d) of the Mine Act for unwarrantable failure to comply with mandatory health or safety standards.

(5) The total number of flagrant violations issued by MSHA under §110(b)(2) of the Mine Act.

(6) The total number of orders issued by MSHA under §107(a) of the Mine Act for situations in which MSHA determined an imminent danger existed.

(7) A written notice from the MSHA regarding a pattern of violations, or a potential to have such pattern under §104 (e) of the Mine Act.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2012

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from______________to ______________

Commission File Number: 1-6314

Tutor Perini Corporation

(Exact name of registrant as specified in its charter)

MASSACHUSETTS	[redacted]
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

15901 OLDEN STREET, SYLMAR, CALIFORNIA 91342-1093
(Address of principal executive offices)
(Zip code)

(818) 362-8391
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐ Accelerated filer ☒ Non-Accelerated filer ☐ Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares of common stock, $1.00 par value per share, of the registrant outstanding at August 1, 2012 was 47,556,056.

TUTOR PERINI CORPORATION AND SUBSIDIARIES

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Part I. – Financial Information

Item 1. Financial Statements

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS (UNAUDITED)
JUNE 30, 2012 AND DECEMBER 31, 2011
(In Thousands, except Share Data)

	June 30, 2012	December 31, 2011
ASSETS		
Cash and Cash Equivalents	$ 185,386	$ 204,240
Restricted Cash	38,684	35,437
Accounts Receivable, including retainage	1,198,764	1,275,031
Costs and Estimated Earnings in Excess of Billings	374,936	358,398
Deferred Income Taxes	2,931	-
Other Current Assets	101,684	76,928
Total Current Assets	1,902,385	1,950,034
Long-term Investments	46,283	62,311
Property and Equipment (net of Accumulated Depreciation of $125,971 in 2012 and $104,541 in 2011)	488,491	491,377
Other Assets:		
Goodwill	570,646	892,602
Intangible Assets, net	133,715	197,999
Other	35,052	18,804
	$ 3,176,572	$ 3,613,127
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Maturities of Long-term Debt	$ 65,039	$ 59,959
Accounts Payable, including retainage	692,940	785,725
Billings in Excess of Costs and Estimated Earnings	362,679	384,282
Accrued Expenses and Other Current Liabilities	190,092	163,268
Total Current Liabilities	1,310,750	1,393,234
Long-term Debt, less current maturities	625,297	612,548
Deferred Income Taxes	58,981	97,921
Other Long-term Liabilities	125,093	109,597
Contingencies and Commitments		
Stockholders' Equity:		
Common Stock - $1 par value: 75,000,000 shares authorized; Shares issued and outstanding: 47,556,056 and 47,329,275, respectively	47,556	47,329
Additional Paid-in Capital	998,207	993,434
Retained Earnings	53,053	402,679
Accumulated Other Comprehensive Loss	(42,365)	(43,615)
Total Stockholders' Equity	1,056,451	1,399,827
	$ 3,176,572	$ 3,613,127

The accompanying notes are an integral part of these consolidated condensed financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS (UNAUDITED)
(In Thousands, Except Per Share Data)

	THREE MONTHS ENDED JUNE 30, 2012	THREE MONTHS ENDED JUNE 30, 2011	SIX MONTHS ENDED JUNE 30, 2012	SIX MONTHS ENDED JUNE 30, 2011
Revenues	$ 985,346	$ 819,858	$ 1,897,880	$ 1,435,147
Cost of Operations	898,285	732,648	1,724,660	1,285,474
Gross Profit	87,061	87,210	173,220	149,673
General and Administrative Expenses	64,661	50,175	133,857	94,125
Goodwill and Intangible Asset Impairment	376,574	-	376,574	-
(LOSS) INCOME FROM CONSTRUCTION OPERATIONS	**(354,174)**	**37,035**	**(337,211)**	**55,548**
Other Income (Expense), net	1,082	1,232	(1,226)	785
Interest Expense	(10,603)	(7,252)	(21,685)	(14,407)
(Loss) Income before Income Taxes	(363,695)	31,015	(360,122)	41,926
Benefit (Provision) for Income Taxes	15,272	(11,321)	10,496	(15,303)
NET (LOSS) INCOME	**$ (348,423)**	**19,694**	**$ (349,626)**	**$ 26,623**
BASIC (LOSS) EARNINGS PER COMMON SHARE	$ (7.35)	0.42	$ (7.38)	$ 0.56
DILUTED (LOSS) EARNINGS PER COMMON SHARE	$ (7.35)	0.41	$ (7.38)	$ 0.56
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:				
BASIC	47,434	47,183	47,382	47,142
Effect of Dilutive Stock Options and Restricted Stock Units Outstanding	-	776	-	769
DILUTED	47,434	47,959	47,382	47,911

The accompanying notes are an integral part of these consolidated condensed financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED) (In Thousands)

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2012	2011	2012	2011
Net (Loss) Income	$ (348,423)	$ 19,694	$ (349,626)	$ 26,623
Other Comprehensive Income:				
Foreign currency translation (net of tax of $(161), $0, $37, and $0, respectively)	(266)	45	57	89
Change in fair value of investments (net of tax of $4, $0, $158, and $0, respectively)	5	-	207	-
Change in fair value of interest rate swap (net of tax of $215, $0, $635, and $0, respectively)	(334)	-	(1,019)	-
Realized loss on sale of investments recorded in Net (Loss) Income (net of tax of $0, $0, $1,219 and $0, respectively)	-	-	2,005	-
Total Other Comprehensive Income	(595)	45	1,250	89
Total Comprehensive Income	$ (349,018)	$ 19,739	$ (348,376)	$ 26,712

The accompanying notes are an integral part of these consolidated condensed financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENT OF STOCKHOLDERS' EQUITY (UNAUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2012
(In Thousands)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
Balance - December 31, 2011	$ 47,329	$ 993,434	$ 402,679	$ (43,615)	$ 1,399,827
Net (Loss) Income	-	-	(349,626)	-	(349,626)
Other comprehensive income:					
Foreign currency translation (net of tax of $37)	-	-	-	57	57
Change in fair value of investments (net of tax of $158)	-	-	-	207	207
Change in fair value of interest rate swap (net of tax of $635)	-	-	-	(1,019)	(1,019)
Realized loss on sale of investments recorded in Net (Loss) Income (net of tax of $1,219)	-	-	-	2,005	2,005
Total comprehensive income					(348,376)
Tax effect of stock-based compensation	-	(195)	-	-	(195)
Stock-based compensation expense	-	5,074	-	-	5,074
Issuance of common stock, net	227	(106)	-	-	121
Balance – June 30, 2012	$ 47,556	$ 998,207	$ 53,053	$ (42,365)	$ 1,056,451

The accompanying notes are an integral part of these consolidated condensed financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS (UNAUDITED)
(In Thousands)

	SIX MONTHS ENDED JUNE 30, 2012	2011
Cash Flows from Operating Activities:		
Net (Loss) Income	$ (349,626)	$ 26,623
Adjustments to reconcile Net (Loss) Income to net cash from operating activities:		
Goodwill and intangible asset impairment	376,574	-
Depreciation and amortization	32,106	16,985
Stock-based compensation expense	5,074	7,085
Excess income tax benefit from stock-based compensation	-	(18)
Deferred income taxes	(42,421)	(1,275)
Loss on sale of investments	2,699	-
Loss (gain) on sale of equipment	530	146
Other long-term liabilities	(4,006)	(4,419)
Other non-cash items	517	(1,399)
Changes in other components of working capital	(53,314)	(132,200)
NET CASH USED IN OPERATING ACTIVITIES	(31,867)	(88,472)
Cash Flows from Investing Activities:		
Acquisitions, net of cash balance acquired	-	(161,711)
Acquisition of property and equipment	(21,788)	(22,171)
Proceeds from sale of property and equipment	9,614	3,422
Proceeds from sale of available-for-sale securities	16,553	7,388
Change in restricted cash	(3,247)	(3,822)
Investment in other activities	(535)	(2,725)
NET CASH USED IN INVESTING ACTIVITIES	597	(179,619)
Cash Flows from Financing Activities:		
Proceeds from debt	306,582	258,175
Repayment of debt	(290,917)	(36,621)
Business acquisition related payments	(2,932)	(1,904)
Excess income tax benefit from stock-based compensation	-	18
Issuance of common stock and effect of cashless exercise	(307)	256
Debt issuance costs	(10)	(2,233)
NET CASH PROVIDED BY FINANCING ACTIVITIES	12,416	217,691
Net Decrease in Cash and Cash Equivalents	(18,854)	(50,400)
Cash and Cash Equivalents at Beginning of Year	204,240	471,378
Cash and Cash Equivalents at End of Period	$ 185,386	$ 420,978
Supplemental Disclosure of Cash Paid During the Period For:		
Interest	$ 19,220	$ 14,273
Income taxes	$ 15,793	$ 22,356
Supplemental Disclosure of Non-cash Transactions:		
Property and equipment acquired through financing arrangements	$ 2,050	$ 1,604
Grant date fair value of common stock issued for services	$ 5,075	$ 4,039

The accompanying notes are an integral part of these consolidated condensed financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

(1) Basis of Presentation

The unaudited consolidated condensed financial statements presented herein include the accounts of Tutor Perini Corporation and its wholly owned subsidiaries ("Tutor Perini" or the "Company"). The Company's interests in construction joint ventures are accounted for using the proportionate consolidation method. These unaudited consolidated condensed financial statements have been prepared in accordance with the instructions to Form 10-Q and do not include all of the information and note disclosures required by accounting principles generally accepted in the United States of America. These statements should be read in conjunction with the financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2011. In the opinion of management, the accompanying unaudited consolidated condensed financial statements include all adjustments, consisting only of normal recurring adjustments, necessary to present fairly the Company's financial position as of June 30, 2012 and December 31, 2011, results of operations and comprehensive income for the three and six months ended June 30, 2012 and 2011, and cash flows for the six months ended June 30, 2012 and 2011. The results of operations for the six months ended June 30, 2012 are not indicative of the results that may be expected for the year ending December 31, 2012 because, among other reasons, such results can vary depending on the timing of progress achieved and changes in estimated profitability of projects being reported.

Prior to the quarterly reporting period ended June 30, 2012, the Company had presented payments related to the deferred purchase price obligation of previous acquisitions within cash flows used by investing activities in the Consolidated Condensed Statement of Cash Flows. During the three months ended June 30, 2012, the Company corrected this presentation to appropriately reflect the cash paid to settle the liability recognized at fair value at the conclusion of the measurement period within cash flows used by financing activities, and the remaining cash paid (e.g., changes in fair value of the liability after the conclusion of the measurement period), is reclassified within cash flows used by operating activities. For the six months ended June 30, 2012 and 2011 this correction resulted in a decrease in cash flows provided by operating activities of $0 and $1.1 million, an increase in cash flows provided by investing activities of $1.2 million and $3.0 million, and a decrease in cash flows provided by financing activities of $1.2 million and $1.9 million, respectively, in the Consolidated Condensed Statement of Cash Flows. There was no impact on the Company's Consolidated Condensed Statements of Operations or Balance Sheets previously reported.

The Company considers events or transactions that occur after the balance sheet date but before the financial statements are issued to provide additional evidence relative to certain estimates or to identify matters that require additional disclosures.

(2) Significant Accounting Policies

The significant accounting policies followed by the Company and its subsidiaries in preparing its consolidated financial statements are set forth in Note 1 to such financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2011. During the six months ended June 30, 2012, the Company adopted the following accounting pronouncements that were issued in 2011:

In May 2011, the Financial Accounting Standard Board ("FASB") issued a staff position amending existing guidance for fair value measurements and disclosures in both interim and annual financial statements. This update expands the disclosures for fair value measurements that are estimated using significant unobservable (Level 3) inputs. Other than requiring additional disclosures, adoption of this update has not had a material effect on the Company's consolidated financial statements.

In June 2011, the FASB issued a staff position which requires an entity to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income, or in two separate but consecutive statements. This update eliminates the option to present components of other comprehensive income as part of the statement of equity. The adoption of this update has not had a material effect on the Company's consolidated financial statements.

In September 2011, the FASB issued a staff position that gives an entity the option to make a qualitative evaluation about the likelihood of goodwill impairment. An entity that adopts this option will be required to perform the two-step impairment test only if it concludes that the fair value of a reporting unit is more likely than not less than its carrying value. On January 1, 2012, the Company adopted this option. The adoption of this option has not had a material effect on the Company's consolidated financial statements, but it may impact the manner in which the Company performs testing for goodwill impairment.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

In July 2012, the FASB issued a staff position that gives an entity the option to make a qualitative evaluation about the likelihood of indefinite-lived intangible asset impairment. An entity that adopts this option will be required to perform the quantitative test only if it concludes that the fair value of the indefinite-lived intangible asset is more likely than not less than its carrying value. The effective date is for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012. The Company does not expect the adoption of this option to have a material effect on the Company's consolidated financial statements, but it may impact the manner in which the Company performs testing for indefinite-lived intangible asset impairment.

In accordance with normal practice in the construction industry, the Company includes in current assets and current liabilities amounts related to construction contracts realizable and payable over a period in excess of one year. Costs and estimated earnings in excess of billings related to the Company's contracts and joint venture contracts at June 30, 2012 and December 31, 2011, consisted of the following (in thousands):

	June 30, 2012	December 31, 2011
Unbilled costs and profits incurred to date*	$ 116,900	$ 107,645
Unapproved change orders	108,747	136,704
Claims	149,289	114,049
	$ 374,936	$ 358,398

* Represents the excess of contract costs and profits recognized to date on the percentage of completion accounting method over the amount of contract billings to date on certain contracts.

Of the balance of "Unapproved change orders" and "Claims" included above in costs and estimated earnings in excess of billings at June 30, 2012 and December 31, 2011, approximately $65.8 million and $85.2 million, respectively, are amounts subject to pending litigation or dispute resolution proceedings as described in Note 7. These amounts are management's estimate of the probable cost recovery from the disputed claims considering such factors as evaluation of entitlement, settlements reached to date and experience with the customer. In the event that future facts and circumstances, including the resolution of disputed claims, cause a reduction in the aggregate amount of the estimated probable cost recovery from the disputed claims, the amount of such reduction will be recorded against earnings in the relevant future period.

(3) Mergers and Acquisitions

(a) Information regarding acquisitions that are material in the aggregate

On January 3, 2011, the Company completed the acquisition of Fisk Electric Company ("Fisk"), a privately held electrical construction company based in Houston, Texas. Fisk was acquired because the Company believes that it is a strong strategic fit enabling the Company to expand its nationwide electrical construction capabilities and to realize significant synergies and opportunities in support of the Company's non-residential building and civil operations. On April 1, 2011, the Company completed the acquisition of Anderson Companies ("Anderson"), the privately held parent company of Roy Anderson Corporation, Harrell Contracting Group, LLC and Brice Building Company, LLC. Anderson was acquired because the Company believes that it is a strong strategic fit for the Company's building business and strengthens the Company's position in the southeastern United States. On June 1, 2011, the Company completed the acquisition of Frontier-Kemper Constructors, Inc. ("Frontier-Kemper"), a privately held Indiana-based corporation. Frontier-Kemper was acquired because the Company believes that it is a strong strategic fit for the Company's civil business, bolstering the Company's tunneling business in the United States and expanding the Company's geographic reach into Canada. On August 18, 2011, the Company completed the acquisition of Becho, Inc. ("Becho"), a privately held Utah-based corporation. Becho was acquired because the Company believes that it is a strong strategic fit for the Company's civil business, bolstering the Company's drilling capabilities in the southwestern United States.

The transactions were accounted for using the acquisition method of accounting. During the six months ended June 30, 2012, the Company did not materially revise any of the assumptions, estimates or amounts used to complete its purchase price accounting as of December 31, 2011.

The following unaudited pro forma summary financial information presents the operating results of the combined Company for the three months and six months ended June 30, 2011 assuming that the acquisitions occurred on January 1, 2010. This unaudited pro forma summary financial information is presented for informational purposes only and is not indicative either of the operating results that actually would have occurred had the acquisitions been completed on January 1, 2010, or of future results.

Pro Forma (unaudited)	Three Months Ended June 30, 2011	Six Months Ended June 30, 2011
(in thousands, except per share data)		
Revenues	$ 864,160	$ 1,612,241
Income from Construction Operations	$ 39,594	$ 63,571
Net Income	$ 19,333	$ 27,065
Basic earnings per common share	$ 0.41	$ 0.57
Diluted earnings per common share	$ 0.40	$ 0.56

The pro forma results have been prepared for comparative purposes only and include certain adjustments such as (i) interest expense on acquisition debt; (ii) adjustments to depreciation expense resulting from the adjustment of fixed asset bases to fair value at acquisition; (iii) additional amortization expense related to identifiable intangible assets arising from the acquisitions; (iv) elimination of acquisition related expenses incurred; and (v) to reflect a statutory income tax rate on the pretax income of Fisk, Anderson, Frontier-Kemper and Becho, as well as on the applicable pro forma adjustments made. The pro forma results are not necessarily indicative either of the results of operations that actually would have resulted had the acquisitions been in effect on January 1, 2010, or of future results.

(b) Merger with GreenStar Services Corporation

On July 1, 2011, the Company acquired GreenStar Services Corporation ("GreenStar") via a merger of GreenStar into a wholly-owned subsidiary of the Company. GreenStar is primarily comprised of the following operating entities: Five Star Electric Corporation and WDF, Inc., which are located in New York, and Nagelbush Mechanical, Inc. which is located in Florida. GreenStar was acquired because it is one of the largest specialty contractors in the United States and it will provide an opportunity to expand the Company's presence in the northeastern markets.

The transaction was accounted for using the acquisition method of accounting. During the six months ended June 30, 2012, the Company did not materially revise any of the assumptions, estimates or amounts used to complete its purchase price accounting as of December 31, 2011.

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The following unaudited pro forma summary financial information presents the operating results of the combined Company for the three months and six months ended June 30, 2011 assuming that the merger occurred on January 1, 2010. This unaudited pro forma summary financial information is presented for informational purposes only and is not indicative either of the operating results that actually would have occurred had the merger been completed on January 1, 2010, or of future results.

Pro Forma (unaudited)	Three Months Ended June 30, 2011	Six Months Ended June 30, 2011
(in thousands, except per share data)		
Revenues	$ 1,016,946	$ 1,787,634
Income from Construction Operations	$ 52,222	$ 93,295
Net Income	$ 28,205	$ 48,169
Basic earnings per common share	$ 0.60	$ 1.02
Diluted earnings per common share	$ 0.59	$ 1.01

The pro forma results have been prepared for comparative purposes only and include certain adjustments such as (i) interest expense on merger debt; (ii) adjustments to depreciation expense resulting from the adjustment of fixed asset bases to fair value at the merger date; (iii) additional amortization expense related to identifiable intangible assets arising from the merger; (iv) elimination of merger related expenses incurred; and (v) to reflect a statutory income tax rate on the pretax income of GreenStar, as well as on the applicable pro forma adjustments made. The pro forma results are not necessarily indicative either of the results of operations that actually would have resulted had the merger been in effect on January 1, 2010, or of future results.

(c) Acquisition of Lunda Construction Company

On July 1, 2011, the Company completed the acquisition of Lunda Construction Company ("Lunda"). Headquartered in Black River Falls, Wisconsin, and with offices in Wisconsin and Minnesota, Lunda is a heavy civil contractor engaged in the construction, rehabilitation and maintenance of bridges, railroads, and other civil structures in the Midwest and throughout the United States. Lunda was acquired because the Company believes it is a strong strategic fit for its civil business and will provide the Company with the opportunity to expand its civil business into the midwestern United States.

The transaction was accounted for using the acquisition method of accounting. During the six months ended June 30, 2012, the Company did not materially revise any of the assumptions, estimates or amounts used to complete its purchase price accounting as of December 31, 2011.

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The following unaudited pro forma summary financial information presents the operating results of the combined Company for the three months and six months ended June 30, 2011 assuming that the acquisition occurred on January 1, 2010. This unaudited pro forma summary financial information is presented for informational purposes only and is not indicative either of the operating results that actually would have occurred had the acquisitions been completed on January 1, 2010, or of future results.

Pro Forma (unaudited)	Three Months Ended June 30, 2011	Six Months Ended June 30, 2011
(in thousands, except per share data)		
Revenues	$ 931,465	$ 1,591,524
Income from Construction Operations	$ 52,616	$ 77,345
Net Income	$ 28,061	$ 38,063
Basic earnings per common share	$ 0.59	$ 0.81
Diluted earnings per common share	$ 0.59	$ 0.79

The pro forma results have been prepared for comparative purposes only and include certain adjustments such as (i) interest expense on acquisition debt; (ii) adjustments to depreciation expense resulting from the adjustment of fixed asset bases to fair value at acquisition; (iii) additional amortization expense related to identifiable intangible assets arising from the acquisitions; (iv) elimination of acquisition related expenses incurred; and (v) to reflect a statutory income tax rate on the pretax income of Lunda, as well as on the applicable pro forma adjustments made. The pro forma results are not necessarily indicative either of the results of operations that actually would have resulted had the acquisitions been in effect on January 1, 2010, or of future results.

(4) Cash, Cash Equivalents and Restricted Cash

Cash and cash equivalents, as reported in the accompanying Consolidated Condensed Balance Sheets, consist of amounts held by the Company that are available for general corporate purposes and the Company's proportionate share of amounts held by construction joint ventures that are available only for joint venture-related uses, including future distributions to joint venture partners. Restricted cash is primarily held to secure insurance-related contingent obligations, such as insurance claim deductibles, in lieu of letters of credit. At June 30, 2012 and December 31, 2011, cash and cash equivalents and restricted cash consisted of the following (in thousands):

	June 30, 2012	December 31, 2011
Corporate Cash and Cash Equivalents	$ 75,241	$ 109,180
Company's share of joint venture Cash and Cash Equivalents	110,145	95,060
Total Cash and Cash Equivalents	$ 185,386	$ 204,240
Restricted Cash	$ 38,684	$ 35,437

(5) Fair Value Measurements

The Company measures certain financial instruments, including cash and cash equivalents, such as money market funds, at their fair value. The fair value was determined based on a three-tier valuation hierarchy for disclosure of significant inputs. These hierarchical tiers are defined as follows:

Level 1 – inputs are unadjusted quoted prices in active markets for identical assets or liabilities.

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Level 2 – inputs are other than quoted prices in active markets that are either directly or indirectly observable through market corroboration.

Level 3 – inputs are unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions based on the best information available in the circumstances.

The following tables provide the assets and liabilities carried at fair value measured on a recurring basis as of June 30, 2012 and December 31, 2011 (in thousands):

		Fair Value Measurements at June 30, 2012 Using		
	Total Carrying Value at June 30, 2012	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets:				
Cash and Cash Equivalents (1)	$ 185,386	$ 185,386	$ -	$ -
Restricted Cash (1)	38,684	38,684	-	-
Short-term investments (2)	3,666	-	3,666	-
Bonds substituted for retainage (3)	15,182	-	15,182	-
Long-term Investments – Auction rate securities (4)	46,283	-	-	46,283
Total	$ 289,201	$ 224,070	$ 18,848	$ 46,283
Liabilities:				
Interest rate swap contract (5)	$ 1,916	$ -	$ 1,916	$ -
Contingent Consideration (6)	54,743	-	-	54,743
	$ 56,659	$ -	$ 1,916	$ 54,743

		Fair Value Measurements at December 31, 2011 Using		
	Total Carrying Value at December 31, 2011	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets:				
Cash and Cash Equivalents (1)	$ 204,240	$ 204,240	$ -	$ -
Restricted Cash (1)	35,437	35,437	-	-
Short-term investments (2)	3,465	1,026	2,439	-
Bonds substituted for retainage (3)	12,488	-	12,488	-
Long-term Investments – Auction rate securities (4)	62,311	-	-	62,311
Total	$ 317,941	$ 240,703	$ 14,927	$ 62,311
Liabilities:				
Interest rate swap contract (5)	$ -	$ -	$ -	$ -
Contingent Consideration (6)	51,555	-	-	51,555
	$ 51,555	$ -	$ -	$ 51,555

(1) Cash, cash equivalents and restricted cash consist primarily of money market funds with original maturity dates of three months or less, for which fair value is determined through quoted market prices.

(2) Short-term investments are classified as other current assets and are comprised of municipal bonds. The fair values of the municipal bonds are obtained from readily-available pricing sources for comparable instruments, and as such, the Company has classified these assets as Level 2.

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(3) Bonds substituted for retainage are classified as accounts receivable, including retainage and are comprised of U.S. Treasury Notes and other municipal bonds, the majority of which are rated Aa2 or better. The fair values of these assets are obtained from readily-available pricing sources for comparable instruments, and as such, the Company has classified these assets as Level 2.

(4) At June 30, 2012 the Company had $46.3 million invested in auction rate securities ("ARS") which the Company considers as available-for-sale long-term investments. The long-term investments ARS held by the Company at June 30, 2012 are in securities collateralized by student loan portfolios. At June 30, 2012 most of the Company's ARS are rated AAA. The Company estimated the fair value of its ARS utilizing an income approach valuation model which considered, among other items, the following inputs: (i) prices from recent comparable transactions; (ii) other third-party pricing information without adjustment; (iii) the underlying structure of each security; (iv) the present value of future principal and interest payments discounted at rates considered to reflect current market conditions (discount rates range from 3-7%); and (v) consideration of the probabilities of default or repurchase at par for each period (term periods range from 6-8 years).

(5) As discussed in Note 10, the Company entered into a swap agreement with Bank of America, N.A. to establish a long-term interest rate for its $200 million five-year term loan. The swap agreement became effective for the term loan principal balance outstanding at January 31, 2012 and will remain effective through the maturity date of the term loan. The Company values the interest rate swap liability utilizing a discounted cash flow model that takes into consideration forward interest rates observable in the market and the counterparty's credit risk. This liability is classified as a component of other long-term liabilities.

(6) The liabilities listed as of June 30, 2012 above represent the contingent consideration for the Company's recent acquisitions for which the measurement period for purchase price analysis has concluded. See the level 3 rollforward below for disclosure of the Company's valuation approach.

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Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the three and six months ended June 30, 2012 and 2011 are as follows (in thousands):

	Auction Rate Securities
Balance at December 31, 2011	$ 62,311
Purchases	-
Settlements	(16,553)
Realized loss included in other income (expense), net	(2,699)
Reversal of pretax impairment charges included in accumulated other comprehensive income (loss)	3,224
Balance at March 31, 2012	46,283
Purchases	-
Settlements	-
Balance at June 30, 2012	$ 46,283

	Auction Rate Securities
Balance at December 31, 2010	$ 88,129
Purchases	-
Settlements	-
Balance at March 31, 2011	88,129
Purchases	-
Settlements	-
Balance at June 30, 2011	$ 88,129

The Company has classified its $46.3 million ARS investment as long-term investments in the Consolidated Condensed Balance Sheet at June 30, 2012, due to the Company's belief that the market for government-backed student loans may take in excess of twelve months to fully recover.

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Liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the three and six months ended June 30, 2012 and 2011 are as follows (in thousands):

	Contingent Consideration
Balance at December 31, 2011	$ 51,555
Fair value adjustments included in other income (expense), net	142
Balance at March 31, 2012	51,697
Fair value measured at conclusion of purchase price analysis measurement period	3,344
Fair value adjustments included in other income (expense), net	(298)
Balance at June 30, 2012	$ 54,743

	Contingent Consideration
Balance at December 31, 2010	$ -
Fair value measured prior to conclusion of purchase price analysis measurement period	4,200
Balance at March 31, 2011	$ 4,200
Fair value measured prior to conclusion of purchase price analysis measurement period	5,500
Balance at June 30, 2011	$ 9,700

The fair values of the contingent consideration were estimated based on an income approach which is based on the cash flows that the acquired entity is expected to generate in the future. This approach requires management to project revenues, operating expenses, working capital investment, capital spending and cash flows for the reporting unit over a multi-year period, as well as determine the weighted-average cost of capital to be used as a discount rate (weighted-average cost of capital inputs have ranged from 14-18%).

The carrying amount of cash and cash equivalents approximates fair value due to the short-term nature of these items. The carrying value of receivables, payables, other amounts arising out of normal contract activities, including retainage, which may be settled beyond one year, is estimated to approximate fair value. Of the Company's long-term debt, the fair value of the fixed rate senior unsecured notes as of June 30, 2012 is $302.3 million, compared to its carrying value of $298.1 million. The fair value of the senior unsecured notes was estimated based on market quotations at June 30, 2012. For the remainder of the Company's long-term debt, the carrying value is estimated to approximate fair value.

There were no significant transfers between level 1 and level 2 financial assets and liabilities that are fair valued on a recurring basis during the six months ended June 30, 2012 and 2011.

(6) Goodwill and Intangible Assets

The Company tests goodwill and intangible assets with indefinite lives for impairment by applying a fair value test in the fourth quarter of each year and between annual tests if events occur or circumstances change which suggest that the goodwill or intangible assets should be evaluated. Intangible assets with finite lives are also tested for impairment whenever events or circumstances indicate that the carrying value may not be recoverable. During the three months ended June 30, 2012, the Company experienced a sustained decrease in its stock price, causing its market capitalization to be substantially less than its carrying value and its implied control premium to increase beyond the implied control premium that was reconciled in its 2011 annual impairment analysis, and beyond the observable market comparable level. Additionally, deterioration in broader market conditions including recent stock market volatility, particularly in the construction industry, impacted the weighted average cost of capital rate assumptions used in deriving the fair values of the Company's reporting units, which are based primarily on market inputs. Finally, several of the Company's reporting units have experienced a degradation in the timing of projected cash flows used in deriving the fair values of those reporting units in its 2011 annual impairment analysis, caused by delays in the timing of the award and start of new work. Based on these circumstances and events, the Company has performed an interim goodwill and indefinite lived intangible asset impairment test as of June 30, 2012, and as a result, the Company recorded a goodwill impairment charge of $321.1 million and an indefinite lived intangible assets impairment charge of $16.4 million. The Company also evaluated its finite lived tangible and intangible assets due to the degradation in the timing of projected cash flows since the Company's 2011 impairment analysis and changes in the planned use of certain intangible assets, and this analysis resulted in a $39.1 million impairment charge on the Company's finite lived intangible assets. These non-cash charges do not impact the Company's overall business operations.

The first step in the two-step process of the impairment analysis is to compare the fair value of the reporting unit to its carrying value. If the carrying value of the reporting unit exceeds its fair value, a second step must be followed to calculate the goodwill impairment. The second step involves determining the fair value of the individual assets and liabilities of the reporting unit and calculating the implied fair value of goodwill. To determine the fair value of the Company and each of its reporting units, the Company performs both an income-based valuation approach as well as a market-based valuation approach. The income-based valuation approach is based on the cash flows that the reporting unit expects to generate in the future and requires the Company to project revenues, operating expenses, working capital investment, capital spending and cash flows for the reporting unit in a discrete period, as well as to determine the weighted-average cost of capital to be used as a discount rate and a terminal value growth rate for the non-discrete period. The market-based valuation approach to estimate the fair value of the Company's reporting units utilizes industry multiples of revenues and operating earnings. The Company equally weights the fair values calculated under the income-based and market-based valuation approaches in arriving at the concluded fair values of its reporting units.

Once the Company's total fair value was determined in the first step of its interim impairment analysis, the Company reconciled its fair value to its market capitalization and concluded that the implied control premium associated with the fair value estimate was reasonable based in part on current comparable market data.

Impairment assessment inherently involves management judgments as to the assumptions used to project these amounts and the impact of market conditions on those assumptions. The key assumptions that the Company uses to estimate the fair value of its reporting units under the income-based approach are as follows:

- Weighted average cost of capital used to discount the projected cash flows;
- Cash flows generated from existing and new work awards; and
- Projected operating margins.

Weighted average cost of capital rates used to discount the projected cash flows are developed via the capital asset pricing model which is primarily based upon market inputs. The Company uses discount rates that management feels are an accurate reflection of the risks associated with the forecasted cash flows of its respective reporting units. Weighted-average cost of capital inputs ranged from 15-16.5% for the Company's reporting units. As discussed above, the weighted average cost of capital rates were impacted since the Company's 2011 annual impairment analysis by broader market conditions including the recent stock market volatility, particularly in the construction industry.

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To develop the cash flows generated from new work awards and future operating margins, the Company tracks prospective work for each of its reporting units primarily on a project-by-project basis as well as the estimated timing of when the work would be bid or prequalified, started and completed. The Company also gives consideration to its relationships with the prospective owners, the pool of competitors that are capable of performing large, complex work, changes in business strategy, and the Company's history of success in winning new work in each reporting unit. With regard to operating margins, the Company gives consideration to its historical reporting unit operating margins in the end markets that the prospective work opportunities are most significant, current market trends in recent new work procurement, and changes in business strategy.

The Company also estimates the fair value of its reporting units under a market-based approach by applying industry-comparable multiples of revenues and operating earnings to its reporting units' projected performance. The conditions and prospects of companies in the construction industry depend on common factors such as overall demand for services.

Changes in the Company's assumptions or estimates could materially affect the determination of the fair value of a reporting unit. Such changes in assumptions could be caused by:

- Terminations, suspensions, reductions in scope or delays in the start-up of the revenues and cash flows from backlog as well as the prospective work tracked;
- Reductions in available government, state and local agencies and non-residential private industry funding and spending;
- The Company's ability to effectively compete for new work and maintain and grow market penetration in the regions that the Company operates in;
- The Company's ability to successfully control costs, work schedule, and project delivery; or
- Broader market conditions, including stock market volatility in the construction industry and its impact on the weighted average cost of capital assumption.

With regard to the Company's reporting units, the carrying values of the Company's Building, Civil and Management Services reporting units were greater than the fair values, and as such, the Company performed the second step of the goodwill impairment test for these reporting units which resulted in goodwill impairments as detailed in the table below. The fair value of the Specialty Contractors reporting unit substantially exceeded its carrying value, and as such, it was not necessary to perform the second step of the goodwill impairment test for this reporting unit.

The Company is currently in the process of finalizing several of the key assumptions used in its interim impairment analysis, and anticipates completion of this analysis in the third quarter of 2012. As the key assumptions are finalized, there may be a material adjustment to the impairment charges recorded on the Company's Consolidated Condensed Statement of Operations.

In conducting the initial step of its goodwill evaluation, the Company also evaluated its finite lived tangible and intangible assets due to the degradation in the timing of projected cash flows since the Company's 2011 impairment analysis and changes in the planned use of certain intangible assets. The Company compared the fair value of the finite lived tangible and intangible assets to their carrying value and determined that the carrying value of a portion of these assets exceeded their fair value as determined by the income-based valuation approach and by benchmarking against observable market prices. This income-based valuation approach involves similar key assumptions to the goodwill impairment analysis discussed above, (e.g. projections of future cash flows associated with the Company's trade name, contractor license, customer relationship and contract backlog intangible assets that were recorded in previous acquisitions). This analysis resulted in an impairment charge of $39.1 million associated with its finite lived intangible assets.

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Changes in the carrying amount of goodwill during the six months ended June 30, 2012 are shown in the tables below (in thousands):

	Building	Civil	Specialty Contractors	Management Services	Total
Gross Goodwill	$ 420,267	$ 430,762	$ 141,833	$ 66,638	$ 1,059,500
Accumulated Impairment	(146,847)	-	-	(20,051)	(166,898)
Balance at December 31, 2011	273,420	430,762	141,833	46,587	892,602
Acquisition related adjustments	-	(869)	-	-	(869)
Impairment charge	(262,918)	(55,740)	-	(2,429)	(321,087)
Balance at June 30, 2012	$ 10,502	$ 374,153	$ 141,833	$ 44,158	$ 570,646

Intangible assets consist of the following (in thousands):

	June 30, 2012				
	Cost	Accumulated Amortization	Accumulated Impairment Charge	Carrying Value	Weighted Average Amortization Period
Trade names (non-amortizable)	$ 117,600	$ -	$ (67,190)	$ 50,410	Indefinite
Trade names (amortizable)	74,350	(2,610)	(23,232)	48,508	20 years
Contractor license	6,000	-	(6,000)	-	N/A
Customer relationships	39,800	(12,387)	(16,645)	10,768	11.4 years
Construction contract backlog	73,706	(49,677)	-	24,029	2.9 years
Total	$ 311,456	$ (64,674)	$ (113,067)	$ 133,715	

	December 31, 2011				
	Cost	Accumulated Amortization	Accumulated Impairment Charge	Carrying Value	Weighted Average Amortization Period
Trade names (non-amortizable)	$ 117,600	$ -	$ (56,100)	$ 61,500	Indefinite
Trade names (amortizable)	74,350	(788)	(800)	72,762	20 years
Contractor license	6,000	-	(680)	5,320	Indefinite
Customer relationships	39,800	(10,585)	-	29,215	11.6 years
Construction contract backlog	71,140	(41,938)	-	29,202	2.9 years
Total	$ 308,890	$ (53,311)	$ (57,580)	$ 197,999	

Amortization expense for the three and six months ended June 30, 2012 was $6.3 million and $11.4 million, respectively. Amortization expense for the three and six months ended June 30, 2011 was $2.2 million and $3.9 million, respectively. As of June 30, 2012, amortization expense is estimated to be $6.9 million for the remainder of 2012, $13.1 million in 2013, $11.9 million in 2014, $5.3 million in 2015, $3.5 million in 2016 and $42.6 million thereafter.

(7) Contingencies and Commitments

The Company and certain of its subsidiaries are involved in litigation and are contingently liable for commitments and performance guarantees arising in the ordinary course of business. The Company and certain of its clients have made claims arising from the performance under their contracts. The Company recognizes certain significant claims for recovery of incurred cost when it is probable that the claim will result in additional contract revenue and when the amount of the claim can be reliably estimated. These assessments require judgments concerning matters such as litigation developments and outcomes, the anticipated outcome of negotiations, the number of future claims and the cost of both pending and future claims. In addition, because most contingencies are resolved over long periods of time, liabilities may change in the future due to various factors.

Several matters are in the litigation and dispute resolution process. The following discussion provides a background and current status of these matters.

Tutor-Saliba-Perini Joint Venture vs. Los Angeles MTA Matter

During 1995 Tutor-Saliba-Perini ("Joint Venture") filed a complaint in the Superior Court of the State of California for the County of Los Angeles against the Los Angeles County Metropolitan Transportation Authority ("LAMTA"), seeking to recover costs for extra work required by LAMTA in connection with the construction of certain tunnel and station projects. In 1999, LAMTA countered with civil claims under the California False Claims Act against the Joint Venture, Tutor-Saliba and the Company jointly and severally (together, "TSP").

Between 2005 and 2010, the court granted certain Joint Venture motions and LAMTA capitulated on others which reduced the number of false claims LAMTA may seek and limited LAMTA's claims for damages and penalties. In September 2010, LAMTA dismissed its remaining claims and agreed to pay the entire amount of the Joint Venture's remaining claims plus interest. The Court subsequently entered judgment in favor of TSP and against LAMTA in the amount of $3 million. This amount is after deducting the amount of $0.5 million, representing the tunnel handrail verdict plus accrued interest against TSP. The parties filed post-trial motions for costs and fees. The Court ruled TSP's sureties could recover costs, LAMTA could recover costs for the tunnel handrail trial, and no party could recover attorneys' fees. In April 2011, TSP filed a notice of appeal regarding the false claims jury verdict on the tunnel handrail claim and other issues, and LAMTA subsequently filed its notice of cross-appeal. In October 2011, TSP filed a notice of appeal regarding the Court's order denying TSP and its Sureties' request for attorneys' fees. In March 2012, the Court finalized the preparation of the record for the Court of Appeal with the filing of opening briefs due in August 2012. The appeal of this case is expected to take at least a year.

The Company does not expect this matter to have any material effect on its consolidated financial statements.

Perini/Kiewit/Cashman Joint Venture-Central Artery/Tunnel Project Matter

Perini/Kiewit/Cashman Joint Venture ("PKC"), a joint venture in which the Company holds a 56% interest and is the managing partner, is currently pursuing a series of claims, instituted at different times over the course of the past ten years, for additional contract time and/or compensation against the Massachusetts Highway Department ("MHD") for work performed by PKC on a portion of the Central Artery/Tunnel ("CA/T") project in Boston, Massachusetts. During construction, MHD ordered PKC to perform changes to the work and issued related direct cost changes with an estimated value, excluding time delay and inefficiency costs, in excess of $100 million. In addition, PKC encountered a number of unforeseen conditions during construction that greatly increased PKC's cost of performance. MHD has asserted counterclaims for liquidated damages and backcharges.

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Certain of PKC's claims have been presented to a Disputes Review Board ("DRB") which consists of three construction experts chosen by the parties. To date, five DRB panels have issued several awards and interim decisions in favor of PKC's claims, amounting to total awards to PKC in excess of $128 million, of which $110 million were binding awards.

In December 2010, the Suffolk County Superior Court granted MHD's motion for summary judgment to vacate the Third DRB Panel's awards to PKC for approximately $56.5 million. The Court granted the motion on the grounds that the arbitrators do not have authority to decide whether particular claims are subject to the arbitration provision of the contract. MHD subsequently moved to vacate approximately $13.7 million of the Fourth DRB Panel's total awards to PKC on the same arbitrability basis that the Third DRB's awards were vacated. In October 2011, the Suffolk County Superior Court followed its earlier arbitrability rulings holding that the Fourth DRB exceeded its authority in deciding arbitrability with respect to certain of the Fourth DRB Panel's awards (approximately $8 million of the $13.7 million discussed above). PKC is pursuing an appeal of the Superior Court decisions. That appeal has been fully briefed by the parties and oral arguments were heard in May 2012 with a decision expected by the end of 2012.

In February 2012, PKC received a $22 million payment for an interest award associated with the Second DRB panel's awards to PKC. In April 2012, the Fifth DRB issued an interim decision in favor of PKC's proposed borrowing rate for interest amounts due on principal balances awarded to PKC by the Third and Fourth DRB Panels. The interest award amounts are subject to the results of further Court proceedings as a result of the PKC's appeal of the Court's decisions with respect to the Third and Fourth DRB Panel's principal awards to PKC. No trial date has been set in any of the cases as the parties are currently awaiting a decision on the appeal of the Superior Court arbitrability rulings.

Management has made an estimate of the anticipated recovery on this project and it is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the financial statements at that time.

Long Island Expressway/Cross Island Parkway Matter

The Company reconstructed the Long Island Expressway/Cross Island Parkway Interchange (the "Project") for the New York State Department of Transportation (the "NYSDOT"). The $130 million Project was substantially completed in January 2004 and was accepted by the NYSDOT as finally complete in February 2006. The Company incurred significant added costs in completing its work and suffered extended schedule costs due to numerous design errors, undisclosed utility conflicts, lack of coordination with local agencies and other interferences for which the Company believes that the NYSDOT is responsible.

In March 2011, the Company filed its claim and complaint with the New York State Court of Claims and served to the New York State Attorney General's Office, in the amount of $53.8 million. In May 2011, the NYSDOT filed a motion to dismiss the Company's claim on the grounds that the Company had not provided required documentation for project closeout and filing of a claim. In September 2011, the Company reached agreement on final payment with the Comptroller's Office on behalf of the NYSDOT which resulted in an amount of $0.5 million payable to the Company and formally closed out the project, which will allow the Company's claim to be re-filed. The Company re-filed its claim in the amount of $53.8 million with the NYSDOT in February 2012 and with the Court of Claims in March 2012. In May 2012, the NYSDOT served its answer and counterclaims in the amount of $151 million alleging fraud in the inducement and punitive damages related to disadvantaged business enterprise ("DBE") requirements for the Project. The Court has ordered that the parties complete discovery by August 2013. The Company does not expect the counterclaim to have any material effect on its consolidated financial statements.

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Management has made an estimate of the total anticipated recovery on this project and it is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the financial statements at that time.

Queensridge Matter

Tutor Perini Building Corp. ("TPBC") (formerly Perini Building Company, Inc.), a wholly owned subsidiary of the Company, was the general contractor for the construction of One Queensridge Place, a condominium project in Las Vegas, Nevada. The developer of the project, Queensridge Towers, LLC / Executive Home Builders, Inc. ("Queensridge"), has failed to pay TPBC for work which PBC and its subcontractors performed on the project.

Subcontractors have brought claims against TPBC and have outstanding liens on the property in the amount of approximately $19 million. TPBC also has an outstanding lien on the property in the amount of approximately $24 million, representing unpaid contract balances and additional work; $19 million of TPBC's $24 million lien amount would be paid to subcontractors. Queensridge has alleged that TPBC and its subcontractors are not due amounts sought and that it has back charges from incomplete and defective work. TPBC filed an arbitration demand, asserting $35 million in claims against Queensridge, including $25 million for contract damages and $10 million for punitive damages.

In April 2011, the American Arbitration Association granted TPBC's request for consolidation of claims. All claims will be arbitrated. The arbitration hearings started in early 2012 and are expected to conclude in late 2012. At the conclusion of the arbitration, the parties will return to District Court to resolve the lien issues. The arbitration panel has issued several rulings to date, including the denial of Queensridge's request to reopen hearings on a specific change order. As arbitration discovery and hearings continue, the parties are currently participating in settlement discussions.

Management has made an estimate of the total anticipated recovery on this project and it is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the financial statements at that time.

Gaylord Hotel and Convention Center Matter

In 2005, Gaylord National, LLC ("Gaylord"), as Owner, and Perini Building Company, Inc. / Tompkins Builders, Joint Venture ("PTJV"), as Construction Manager, entered into a contract to construct the Gaylord National Resort and Convention Center (the "Project") in Maryland. The Project is complete and as part of its settlement with Gaylord reached in November 2008, PTJV agreed to pay all subcontractors and defend all claims and lien actions by them relating to the Project. PTJV has closed out most subcontracts. Resolution of the issues with the remaining subcontractors may require mediation, arbitration and/or trial.

PTJV is pursuing an insurance claim for approximately $40 million related to work performed by Banker Steel Company, Inc. ("Banker Steel"), a subcontractor, including $11 million for business interruption costs incurred by Gaylord which have effectively been assigned to PTJV. In November 2009, PTJV filed suit against Factory Mutual Insurance Co. ("FM") in the Maryland federal district court alleging FM breached the insurance contracts and for declaratory judgment with respect to the insurance coverage. In December 2010, PTJV filed suit against ACE American Insurance Company ("ACE") in Maryland federal district court alleging ACE breached the general liability insurance contract, requesting a declaratory judgment with respect to the insurance coverage and for bad faith.

In June 2012, FM filed a motion for summary judgment arguing that the builder's risk policy does not apply to the loss and that FM is not in breach of the commercial property policy as they have paid for all covered damages. PTJV's opposition was filed in July 2012, and a hearing is set for August 2012. The parties also submitted to a mediation in July 2012 and continue to participate in settlement discussions.

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Management has made an estimate of the total anticipated recovery on this project and it is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the financial statements at that time.

Fontainebleau Matter

Desert Mechanical Inc. ("DMI") and Fisk, wholly owned subsidiaries of the Company, were subcontractors on the Fontainebleau Project in Las Vegas ("Fontainebleau"), a hotel/casino complex with approximately 3,800 rooms. In June 2009, Fontainebleau filed for bankruptcy protection, under Chapter 11 of the U.S. Bankruptcy Code, in the Southern District of Florida. Fontainebleau is headquartered in Miami, Florida.

DMI and Fisk filed liens in Nevada for approximately $44 million, representing unreimbursed costs to date and lost profits, including anticipated profits. Other unaffiliated subcontractors have also filed liens. In June 2009, DMI filed suit against Turnberry West Construction, Inc. ("Turnberry"), the general contractor, in the 8th Judicial District Court, Clark County, Nevada, and in May 2010, the court entered an order in favor of DMI for approximately $45 million. DMI is uncertain as to Turnberry's present financial condition.

In January 2010, the Bankruptcy Court approved the sale of the property to Icahn Nevada Gaming Acquisition, LLC and this transaction closed in February 2010. As a result of a July 2010 ruling relating to certain priming liens there is now approximately $125 million set aside from this sale, which is available for distribution to satisfy the creditor claims based on seniority. The total estimated sustainable lien amount is approximately $350 million. The project lender filed suit against the mechanic's lien claimants, including DMI and Fisk, alleging that certain mechanic's liens are invalid and that all mechanic's liens are subordinate to the lender's claims against the property. The Nevada Supreme Court has agreed to hear the case and rule on the issue of lien priority, which once received will be referred to the Bankruptcy Court for further proceedings.

Management has made an estimate of the total anticipated recovery on this project and it is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the financial statements at that time.

MGM CityCenter Matter

Tutor Perini Building Corp. ("TPBC") (formerly Perini Building Company, Inc.), a wholly owned subsidiary of the Company, contracted with MGM MIRAGE Design Group ("MGM") in March 2005 to construct the CityCenter project in Las Vegas, Nevada (the "Project"). The Project, which encompasses nineteen separate contracts, is a 66-acre urban mixed use development consisting of hotels, condominiums, retail space and a casino.

The Company achieved substantial completion of the Project in December 2009, and MGM opened the Project to the public on the same date. In March 2010, the Company filed suit against MGM and certain other property owners in the Clark County District Court alleging several claims including breach of contract, among other items. In March 2010, the Company also filed a $491 million mechanic's lien against the Project.

In a Current Report on Form 8-K filed by MGM in March 2010, and in subsequent communications issued, MGM has asserted that it believes it owes substantially less than the claimed amount and that it has claims for losses in connection with the construction of the Harmon Hotel and is entitled to unspecified offsets for other work on the Project. According to MGM, the total of the offsets and the Harmon Hotel claims exceed the amount claimed by the Company.

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In May 2010, MGM filed a counterclaim and third party complaint against the Company and its subsidiary TPBC. The court granted the Company and MGM's joint motion to consolidate all subcontractor initiated actions into the main CityCenter lawsuit. MGM has filed a motion to demolish the Harmon Tower, one of the CityCenter buildings. The Company opposed the motion, and hearings on the motion were held in March and July 2012. In July 2012, the Court determined that MGM can demolish the Harmon Tower as a "business decision," but that doing so would not be the result of any actions by TPBC during the construction of the project and that the Court's decision is not "a determination as to whether any design defects exist, any noncompliance with code exists, any nonconformance with plans exists or any construction defects exist."

Evidence presented at the July 2012 hearing demonstrated that the Harmon Tower is safe and during the hearing the Court did not make any determination that it cannot be repaired. Additionally, after two years of litigation, MGM conceded that the Harmon Tower could be repaired if MGM chose to do so. The evidence at the hearing established that the Harmon Tower could be fully repaired for approximately $21 million, more than $15 million of which is due to design defects that are MGM's responsibility. TPBC remains confident that it will prevail when the issues of safety, reparability and responsibility for the issues facing the Harmon Tower are considered. Discovery continues with additional briefing on various legal issues in July and August 2012. Trial is now scheduled for June 2013.

With respect to alleged losses at the Harmon Hotel, the Company has contractual indemnities from the responsible subcontractor, as well as existing insurance coverage that it expects will be available and sufficient to cover any liability that may be associated with this matter. The Company's insurance carrier initiated legal proceedings seeking declaratory relief that their insurance policies do not provide for defense or coverage for matters pertaining to the Harmon Towers. Those proceedings are stayed pending the outcome of the underlying dispute in Nevada District Court. The Company is not aware of a basis for other claims that would amount to material offsets against what MGM owes to the Company. The Company does not expect this matter to have any material effect on its consolidated financial statements.

In public statements, MGM asserted its intent to enter into settlement discussions directly with subcontractors under contract with the Company. As of June 2012, MGM has reached agreements with subcontractors to settle at a discount $301 million of amounts previously billed to MGM. The Company has reduced and will continue to reduce amounts included in revenues, cost of construction operations, accounts receivable and accounts payable for the reduction in subcontractor pass-through billings, which the Company would not expect to have an impact on recorded profit. At June 30, 2012, the Company had approximately $192 million recorded as contract receivables for amounts due and owed to the Company and its subcontractors. In December 2011, a portion of the amounts owed to one of the Company's subsidiaries, Fisk, was paid for approximately $15 million. Included in the Company's receivables are pass-through subcontractor billings for contract work and retention, and other requests for equitable adjustment for additional work in the amount of $61 million. As pass-through subcontractor billings are settled, the Company will reduce its mechanic's lien as appropriate. As of June 30, 2012, the Company's mechanic's lien has been reduced to $313 million.

Management has made an estimate of the total anticipated recovery on this project and it is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the financial statements at that time.

Honeywell Street/Queens Boulevard Bridges Matter

In 1999, the Company was awarded a contract for reconstruction of the Honeywell Street/Queens Boulevard Bridges (the "Project") for the City of New York (the "City"). In June 2003, after substantial completion of the Project, the Company initiated an action to recover $8.75 million in claims from the City on behalf of itself and its subcontractors. In March 2010, the City filed counterclaims for $74.6 million and other relief, alleging fraud in connection with the DBE requirements for the Project. In May 2010, the Company served the City with its response to the City's counterclaims and affirmative defenses. Parties are discussing settlement possibilities as discovery efforts continue. No trial date has been set.

The Company does not expect this matter to have any material effect on its consolidated financial statements.

Westgate Planet Hollywood Matter

Tutor-Saliba Corporation ("TSC"), a wholly owned subsidiary of the Company, contracted to construct a time share development in Las Vegas (the "Project") which was substantially completed in December 2009. The Company's claims against the owner, Westgate Planet Hollywood Las Vegas, LLC ("WPH"), relate to unresolved owner change orders and other claims. The Company filed a lien on the project in April 2010 in the amount of $19.3 million, and filed its complaint in May 2010 with the District Court, Clark County, Nevada. Included in the Company's receivables are pass-through subcontractor billings for contract work and retention of approximately $12 million. Several subcontractors have also recorded liens, some of which have been released by bonds and some of which have been released as a result of subsequent payment. Westgate has posted a mechanic's lien release bond for $22.3 million.

WPH filed a cross-complaint alleging non-conforming and defective work for approximately $51 million, primarily related to alleged defects, misallocated costs, and liquidated damages. Some or all of the allegations will be defended by counsel appointed by TSC's insurance carrier. WPH has since revised the amount of their counterclaims to approximately $45 million.

TSC filed an amended complaint in May 2011, which increases TSC's claim to $22.3 million, and replaces the cause of action to foreclose its mechanic's lien with an action against WPH's lien release bond.

The Court set trial for September 2012 with the discovery process continuing. The Company does not expect this matter to have any material effect on its consolidated financial statements.

Management has made an estimate of the total anticipated recovery on this project and it is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the financial statements at that time.

100th Street Bus Depot Matter

The Company constructed the 100th Street Bus Depot for the New York City Transit Authority ("NYCTA") in New York. Prior to receiving notice of final acceptance from the NYCTA, this project experienced a failure of the brick façade on the building due to faulty subcontractor work. The Company has not yet received notice of final acceptance of this project from the NYCTA. The Company contends defective structural installation by the Company's steel subcontractor caused or was a causal factor of the brick façade failure.

The Company has tendered its claim to the NYCTA Owner Controlled Insurance Program ("OCIP") and to Chartis Claims, Inc., its insurance carrier. Coverage was denied in January 2011. The OCIP and general liability carriers have filed a declaratory relief action in the United States District Court, Southern District of New York against the Company seeking court determination that no coverage is afforded under their policies. The Company believes it has legal entitlement to recover costs under the policies and intends to defend and pursue its claim against the carriers for breach of contract and appropriate associated causes of action. The Company filed a lawsuit against certain underwriters at Lloyds, London, the excess carrier, Illinois National Insurance Company, the Insurance Company of the State of Pennsylvania, and National Union Fire Insurance Company of Pittsburgh, Pennsylvania, with respect to this claim in the Commonwealth of Massachusetts, Suffolk County Superior Court, in June 2011. This case will be dismissed and the dispute will be heard in the New York action, where the Company has filed its amended answer and counterclaims in response to the declaratory relief action. Discovery is ongoing, and the Court has scheduled a bench trial for the declaratory relief causes of action in September 2012.

Management has made an estimate of the total anticipated recovery on this project and it is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the financial statements at that time.

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Brightwater Matter

In 2006, the Department of Natural Resources and Parks Wastewater Treatment Division of King County ("King County"), as Owner, and Vinci Construction Grands Projects/Parsons RCI/Frontier-Kemper, Joint Venture ("VPFK"), as Contractor, entered into a contract to construct the Brightwater Conveyance System and tunnel sections (the "Project") in Washington State. Frontier-Kemper, a wholly owned subsidiary of the Company, is a 20% minority partner in the joint venture.

In April 2010, King County filed a lawsuit alleging damages in the amount of $74 million, plus costs, for VPFK's failure to complete specified components of the project in the King County Superior Court, State of Washington. Shortly thereafter, VPFK filed a counterclaim in the amount of approximately $75 million, seeking reimbursement for additional costs incurred as a result of differing site conditions, King County's defective specifications, for damages sustained on VPFK's tunnel boring machines ("TBM"), and increased costs as a result of hyperbaric interventions. VPFK's claims related to differing site conditions, defective design specifications, and damages to the TBM were presented to a Dispute Resolution Board ("DRB"). King County amended the amount sought in its lawsuit to approximately $132 million. In August 2011, the DRB generally found that King County was liable to VPFK for VPFK's claims for encountering differing site conditions, including damages to the TBM, but not on VPFK's alternative theory of defective specifications. In preparation for trial, in June 2012 each party filed several motions for summary judgment on certain claims and requests for trial. The Court granted King County's requests related to evidence and damages that may be presented at trial with two of VPFK's motions still pending with hearings scheduled for the third quarter of 2012.

The parties participated in a mediation in July 2012, however the case has not settled. Trial is currently set for September 2012.

The ultimate financial impact of King County's lawsuit is not yet determinable. Management has made an estimate of the total anticipated recovery on the submitted claims and it is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the financial statements at that time.

156 Stations Matter

In December 2003, Five Star Electric Corporation ("FSE"), a wholly owned subsidiary of the Company, entered into an agreement with the Prime Contractor Transit Technologies, L.L.C ("Transit"), a Consortium member of Siemens Transportation Transit Technologies, L.L.C ("Siemens"), to assist in the installation of new public address and customer information screens system for each of the 156 stations for the New York City Transit Authority ("NYCTA") as the owner. Work on the project commenced in early 2004 and is substantially complete.

In June 2007, FSE submitted a Demand for Arbitration against Transit to terminate its subcontract due to the execution of a Cure Agreement between the NYCTA, Siemens and Transit, which severely amended FSE's rights under the Prime Contract, due to Transit's failure to provide information and equipment to allow work to progress according to the approved schedule, and for failure to tender payment in excess of a year. In July 2009, FSE unilaterally terminated its contract and amended its claim to include all costs incurred through the date it ceased work following its termination. In August 2007, FSE commenced action against the Federal Insurance Company and St. Paul Fire and Marine Insurance Company, the payment bond sureties for the Consortium, in the Supreme Court of the State of New York. This claim, like the underlying arbitration, alleged damages of $25 million. In response, Transit notified Travelers Casualty and Surety Company of America ("Travelers"), FSE's surety, of its intent to default FSE from the contract for failure to perform and filed suit against Travelers in May 2011 in New York, seeking compensation for damages in excess of $25 million up to the contract amount of $36 million.

In June 2012, the arbitration panel awarded FSE a total of approximately $11.9 million due within 45 days, and Transit's claims were denied. FSE filed a motion to confirm arbitration award in District Court in July 2012. This settlement did not have a material effect on the Company's consolidated financial statements.

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(8) Income Taxes

The Company's effective tax rate for the six months ended June 30, 2012 and 2011 was 3.9% and 36.5%, respectively. The effective tax rate for the six months ended June 30, 2012 excludes $3.6 million of certain discrete expense items related to an increase in unrecognized tax benefits and an adjustment, both associated with certain stock-based compensation items identified in March 2012. The Company's provision for income taxes and effective tax rate for the six months ended June 30, 2012 were significantly impacted by the goodwill and intangible asset impairment charge discussed in Note 6 above. Of the total goodwill and intangible asset impairment charge of $376.6 million, approximately $255.0 million pertained to goodwill or intangible assets that yielded permanent differences between book income and taxable income. The Company has tax affected the impairment charge for the current period based on its estimated annual effective tax rate of 3.9%, which resulted in a reduction of its provision for income taxes of approximately $20.7 million during the period. Additionally, approximately $47.7 million was recorded as a reduction in previously recorded deferred tax liabilities due to the impairment charge.

For financial statement purposes the Company uses the more-likely-than-not recognition threshold and a tax benefit measurement process for recording changes to unrecognized tax benefits. The Company recognizes interest and penalties on any income tax liabilities as a component of its income tax provision. The total amount of gross unrecognized tax benefits recorded was approximately $2.9 million and $1.7 million as of June 30, 2012 and December 31, 2011, respectively.

The Company's 2010 U.S. Federal tax return is currently being audited by the Internal Revenue Service.

(9) Stock-Based Compensation

For the three and six month periods ended June 30, 2012, the Company recognized total compensation expense of $1.7 million and $5.1 million, respectively, in general and administrative expenses related to stock-based compensation awards. For the three and six months ended June 30, 2011 the Company recognized total compensation expense of $3.5 million and $7.1 million, respectively, related to stock-based compensation awards.

Restricted Stock Awards
Restricted stock awards vest subject to the satisfaction of service requirements or the satisfaction of both service requirements and achievement of certain performance targets. Upon vesting, each award is exchanged for one share of the Company's common stock. The grant date fair values of these awards are determined based on the closing price of either the award date (if subject only to service conditions), or, if later, the date that the Compensation Committee establishes the applicable performance target (if subject to performance conditions). As of June 30, 2012, the Compensation Committee has approved the grant of an aggregate of 4,875,833 restricted stock awards to eligible participants.

In March 2012, the Compensation Committee established the 2012 pre-tax income performance targets for 220,000 restricted stock units awarded in 2009 and 2010. In May and June 2012, the Compensation Committee approved the award of 783,333 new restricted stock units. Additionally 120,833 restricted stock units were forfeited during the six months ended June 30, 2012.

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For the three and six months ended June 30, 2012, the Company recognized $1.2 million and $3.7 million, respectively, of compensation expense related to restricted stock awards. As of June 30, 2012 there was $8.4 million of unrecognized compensation cost related to the unvested awards which, absent significant forfeitures in the future, is expected to be recognized over a weighted average period of approximately 2.8 years. A summary of restricted stock awards activity under the plan for the six months ended June 30, 2012 is as follows:

	Number of Shares	Weighted Average Grant Date Fair Value	Aggregate Intrinsic Value
Granted and Unvested - January 1, 2012	1,185,832	$ 19.65	$ 14,633,167
Vested	(208,332)	24.36	2,626,729
Granted	293,333	14.72	3,716,529
Forfeited	(120,833)	13.47	-
Total Granted and Unvested	1,150,000	18.19	14,570,500
Approved for grant	888,335	(a)	11,255,204
Total Awarded and Unvested – June 30, 2012	2,038,335	n.a.	25,825,704

(a) Grant date fair value cannot be determined currently because the related performance targets for future years have not yet been established by the Compensation Committee.

The outstanding unvested awards at June 30, 2012 are scheduled to vest as follows, subject where applicable to the achievement of performance targets. As described above, certain performance targets are not yet established.

Vesting Date	Number of Awards
2012	-
2013	905,000
2014	408,335
2015	150,000
2016	165,000
2017	410,000
Total	2,038,335

Approximately 245,000 of the unvested awards will vest based on the satisfaction of service requirements and 1,793,335 will vest based on the satisfaction of both service requirements and the achievement of certain performance targets.

Stock Options

Stock option awards generally vest subject to the satisfaction of service requirements or the satisfaction of both service requirements and achievement of certain performance targets. The grant date fair values of these awards are determined based on the Black-Scholes option price model on either the award date (if subject only to service conditions), or, if later, the date that the Compensation Committee establishes the applicable performance target (if subject to performance conditions). The related compensation expense is amortized over the applicable service period. The exercise price of the options is equal to the closing price of the Company's common stock on the date the awards were approved by the Compensation Committee, and the awards expire ten years from the award date. As of June 30, 2012, the Compensation Committee has approved the award of an aggregate of 2,380,465 stock option awards to eligible participants.

In March 2012 the Compensation Committee established the 2012 pre-tax income performance target for 150,000 stock options awarded in 2009. In May and June 2012 the Compensation Committee approved the award of 695,000 new stock options. Additionally 75,000 stock options were forfeited during the six months ended June 30, 2012.

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For the three and six months ended June 30, 2012, the Company recognized compensation expense of $0.5 million and $1.4 million, respectively, related to stock option awards. As of June 30, 2012, there was $2.9 million of unrecognized compensation expense related to the outstanding options which, absent significant forfeitures in the future, is expected to be recognized over a weighted average period of approximately 2.8 years.

A summary of stock option activity under the plan for the six months ended June 30, 2012 is as follows:

		Weighted Average	
	Number of Shares	Grant Date Fair Value	Exercise Price
Total Granted and Outstanding - January 1, 2012	1,225,465	$ 10.11	$ 18.45
Granted	165,000	5.65	19.51
Forfeited	(75,000)	7.20	-
Total Granted and Outstanding	1,315,465	9.72	18.91
Approved for grant	830,000	(a)	12.80
Total Awarded and Outstanding – June 30, 2012	2,145,465	n.a.	16.55

(a) Grant date fair value cannot be determined currently because the related performance targets for future years have not yet been established by the Compensation Committee.

There were 490,465 options that have vested and were exercisable at June 30, 2012 at a weighted average exercise price of $19.79 per share. Of the remaining options outstanding, approximately 592,500 of the outstanding options will vest based on the satisfaction of service requirements and 1,062,500 will vest based on the satisfaction of both service requirements and the achievement of certain performance targets.

The outstanding options had an intrinsic value of $0.1 million and a weighted average remaining contractual life of 7.1 years at June 30, 2012.

During 2009, the Compensation Committee approved the award of 750,000 stock options that vest in five equal annual tranches from 2010 to 2014 subject to the achievement of pre-tax income performance targets established by the Compensation Committee. In March 2012, the Compensation Committee established the 2012 pre-tax income performance target for the fourth tranche of 150,000 stock options awarded in 2009. During May 2012, the Compensation Committee approved the award of 15,000 stock options that vest subject to service-based requirements only. The fair values of these stock options were determined during the six months ended June 30, 2012 using the Black Scholes option pricing model using the following key assumptions:

Number of Shares	150,000	15,000
Risk-free interest rate	0.88%	1.12%
Expected life of options	4.4 yearss	7.3 years
Expected volatility of underlying stock	53.89%	50.59%
Expected quarterly dividends (per share)	0.00	0.00

(10) Financial Commitments

Amended Credit Agreement

On August 2, 2012, the Company entered into a First Amendment (the "First Amendment") to its Fifth Amended and Restated Credit Agreement (the "Credit Agreement") entered into on August 3, 2011 as Borrower, with Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer (the "Lender"). The First Amendment modifies the financial covenants under the Credit Agreement beginning for the period ended September 30, 2012 to allow for more favorable minimum net worth, minimum fixed charge and maximum leverage ratios for the Company and also to add new financial covenants including minimum liquidity and consolidated senior leverage ratio covenants. The First Amendment also increases the sublimit for letters of credit from $50 million to $150 million.

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Under the First Amendment, the minimum net worth covenant is modified such that the consolidated net worth cannot be less than the sum of: (i) 85% of the consolidated net worth as of March 31, 2012 less the actual goodwill and intangible assets impairment charge taken on or before September 30, 2012, not to exceed $450.0 million; (ii) an amount equal to 50% of net income for each fiscal quarter ending after June 30, 2012 (with no deduction for net losses); and (iii) an amount equal to 100% of the aggregate amount of all equity issuances after June 30, 2012 that increase stockholder's equity. The minimum fixed charge ratio covenant is modified such that the minimum fixed charge ratio shall not be less than 1.00 to 1.00 for the quarterly periods ending September 30, 2012 and December 31, 2012, 1.10 to 1.00 for the quarterly periods ending March 31, 2013 and June 30, 2013, and 1.25 to 1.00 for the quarterly periods ending September 30, 2013 and thereafter. The consolidated leverage ratio covenant is modified such that the consolidated leverage ratio shall not be greater than 4.25 to 1.00 for the quarterly periods ending September 30, 2012 through March 31, 2013, 3.75 to 1.00 for the quarterly periods ending June 30, 2013 through December 31, 2013, 3.25 to 1.00 for the quarterly periods ending March 31, 2014 through September 30, 2014 and 2.75 to 1.00 for the quarterly periods ending December 31, 2014 and thereafter. Each of these covenants is also modified to allow for an add-back of up to $450.0 million for any goodwill and intangible asset impairment charges that impact the next four quarters' ratios.

The First Amendment also modifies the applicable interest rates for amounts outstanding such that they bear interest at a rate equal to, at the Company's option, (a) the adjusted British Bankers Association LIBOR rate, as defined, plus 200 to 400 basis points (floor of 200 basis points) based on the ratio of consolidated funded indebtedness of the Company and its subsidiaries to consolidated EBITDA or (b) the higher of the Federal Funds Rate plus 50 basis points, or the prime rate announced by Bank of America, N.A., plus up to 300 basis points based on the ratio of consolidated funded indebtedness of the Company and its subsidiaries to consolidated EBITDA. In addition, the Company has agreed to pay quarterly facility fees ranging from 0.375% to 0.700% per annum of the unused portion of the credit facility.

The Credit Agreement allows the Company to borrow up to $300 million on a revolving credit basis (the "Revolving Facility"), with a $150 million sublimit for letters of credit, and an additional $200 million term loan (the "Term Loan"). Subject to certain conditions, the Company has the option to increase the base facility by up to an additional $50 million. Substantially all of the Company's subsidiaries unconditionally guarantee the obligations of the Company under the Credit Agreement. The obligations under the Credit Agreement are secured by a lien on all personal property of the Company and its subsidiaries party thereto. Any outstanding loans under the Revolving Facility mature on August 3, 2016, while the Term Loan includes quarterly installments of principal and interest payable over a five-year period. The Term Loan balance has been paid down to $170 million at June 30, 2012.

In conjunction with the First Amendment, the Company obtained a waiver of compliance with the covenants of the Credit Agreement for the period ended June 30, 2012 as it would otherwise have been out of compliance with the minimum fixed charge and maximum leverage ratios under the Credit Agreement due to its goodwill and intangible asset impairment charge as disclosed in Note 6 above, current debt levels and lower than expected income from operations. The Company expects to be in compliance with the modified financial covenants under the First Amendment.

The Company had $42.5 million of outstanding borrowings under its Revolving Facility as of June 30, 2012 and no outstanding borrowings as of December 31, 2011. The Company utilized the Revolving Facility for letters of credit in the amount of $0.2 million and $3.0 million as of June 30, 2012 and December 31, 2011, respectively. Accordingly, at June 30, 2012, the Company had $257.3 million available to borrow under the Credit Agreement.

On August 26, 2011, the Company entered into a swap agreement ("Swap Agreement") with Bank of America, N.A. to establish a long-term interest rate for the Term Loan discussed above. The Swap Agreement pertains to the Term Loan principal balance outstanding at January 31, 2012 and will remain effective through the maturity date of the Term Loan. Amounts outstanding under the Swap Agreement will bear interest at a rate equal to the Applicable Rate, as defined in the Credit Agreement (based upon the Company's consolidated leverage ratio), plus 97.5 basis points. The Swap Agreement includes quarterly installments of principal and monthly installments of interest payable through the maturity date of the Term Loan.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

(11) Earnings (Losses) per Common Share

Basic earnings (losses) per common share were computed by dividing net income by the weighted average number of common shares outstanding. Diluted earnings (losses) per common share were similarly computed after giving consideration to the dilutive effect of stock options and restricted stock awards outstanding on the weighted average number of common shares outstanding. The computation of diluted earnings (losses) per common share for the three and six months ended June 30, 2012 excludes 1,315,465 stock options and 1,150,000 restricted stock units because the awards would have an antidilutive effect. The computation of diluted earnings per common share for the three and six months ended June 30, 2011 excludes 405,000 stock options.

(12) Business Segments

The following tables set forth certain reportable segment information relating to the Company's operations for the three and six months ended June 30, 2012 and 2011 (in thousands). As discussed in the Annual Report on Form 10-K for the fiscal year ended December 31, 2011, the Company completed a reorganization of its reportable segments during 2011, and as such, the Company has restated comparative prior period information for the reorganized reportable segments in the tables below.

	Reportable Segments						
	Building	Civil	Specialty Contractors	Management Services	Totals	Corporate	Consolidated Total
Three Months Ended June 30, 2012							
Total Revenues	$ 331,924	$ 327,072	$ 275,902	$ 64,773	$ 999,671	$ -	$ 999,671
Elimination of intersegment revenues	(1,664)	(3,376)	-	(9,285)	(14,325)	-	(14,325)
Revenues from external customers	330,260	323,696	275,902	55,488	985,346	-	985,346
Income from Construction Operations Before Impairment Charge	(14,487)	25,762	19,868	1,852	32,995	(10,595)*	22,400
Impairment Charge	(282,608)	(65,503)	(11,489)	(16,974)	(376,574)	-	(376,574)
Total	(297,095)	(39,741)	8,379	(15,122)	(343,579)	(10,595)	(354,174)
Three Months Ended June 30, 2011							
Total Revenues	$ 529,004	$ 148,304	$ 87,200	$ 78,440	$ 842,948	$ -	$ 842,948
Elimination of intersegment revenues	(3,842)	(1,840)	-	(17,408)	(23,090)	-	(23,090)
Revenues from external customers	525,162	146,464	87,200	61,032	819,858	-	819,858
Income from Construction Operations	23,575	14,875	1,754	6,519	46,723	(9,688)*	37,035

	Reportable Segments						
	Building	Civil	Specialty Contractors	Management Services	Totals	Corporate	Consolidated Total
Six Months Ended June 30, 2012							
Total Revenues	$ 674,963	$ 577,661	$ 543,638	$ 132,885	$ 1,929,147	$ -	$ 1,929,147
Elimination of intersegment revenues	(3,909)	(4,592)	(298)	(22,468)	(31,267)	-	(31,267)
Revenues from external customers	671,054	573,069	543,340	110,417	1,897,880	-	1,897,880
Income from Construction Operations Before Impairment Charge	(23,384)	42,604	39,616	3,738	62,574	(23,211)*	39,363
Impairment Charge	(282,608)	(65,503)	(11,489)	(16,974)	(376,574)	-	(376,574)
Total	(305,992)	(22,899)	28,127	(13,236)	(314,000)	(23,211)	(337,211)
Six Months Ended June 30, 2011							
Total Revenues	$ 894,487	$ 276,952	$ 178,885	$ 124,475	$ 1,474,799	$ -	$ 1,474,799
Elimination of intersegment revenues	(8,705)	(5,443)	-	(25,504)	(39,652)	-	(39,652)
Revenues from external customers	885,782	271,509	178,885	98,971	1,435,147	-	1,435,147
Income from Construction Operations	34,827	27,927	2,682	9,160	74,596	(19,048)*	55,548

* Consists primarily of corporate general and administrative expenses.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

The following table sets forth certain reportable segment information relating to the Company's total assets as of June 30, 2012 and December 31, 2011 (in thousands):

	Total Assets as of	
	June 30, 2012	December 31, 2011
Building	$ 696,963	$ 1,125,632
Civil	1,051,891	1,102,471
Specialty Contractors	662,818	597,986
Management Services	178,477	182,583
	2,590,149	3,008,672
Corporate *	586,423	604,455
Total	$ 3,176,572	$ 3,613,127

* Consists principally of cash and cash equivalents, corporate transportation equipment, and other investments available for general corporate purposes

(13) Employee Pension Plans

The Company has a defined benefit pension plan and an unfunded supplemental retirement plan. Effective September 1, 2004, all benefit accruals under the Company's pension plan were frozen; however, the current vested benefit was preserved. The pension disclosure presented below includes aggregated amounts for both of the Company's plans. The following table sets forth the net periodic benefit cost by component for the three and six months ended June 30, 2012 and 2011 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Interest cost	$ 1,005	$ 1,108	$ 2,010	$ 2,216
Expected return on plan assets	(1,186)	(1,254)	(2,372)	(2,509)
Amortization of net loss	1,396	992	2,793	1,984
Net periodic benefit cost	$ 1,215	$ 846	$ 2,431	$ 1,691

The Company contributed $1.7 million and $1.4 million to its defined benefit pension plan during the six months ended June 30, 2012 and 2011, respectively. The Company expects to contribute an additional $2.2 million to its defined benefit pension plan during the remainder of fiscal year 2012.

(14) Related Party Transactions

The Company leases certain facilities from Ronald N. Tutor, the Company's Chairman and Chief Executive Officer, and an affiliate owned by Mr. Tutor under non-cancelable operating lease agreements with monthly payments of $0.2 million, which increase at 3% per annum beginning August 1, 2009 and expire on July 31, 2016. Lease expense for these leases, recorded on a straight-line basis, was $1.2 million and $1.2 million for the six months ended June 30, 2012 and June 30, 2011, respectively, and was $0.6 million and $0.6 million for the three months ended June 30, 2012 and 2011, respectively.

Raymond R. Oneglia, who is the Vice Chairman of O&G Industries, Inc. ("O&G") is a director of the Company. O&G occasionally participates in joint ventures with the Company. The Company's share of revenues related to these joint ventures amounted to $8.5 million and $1.9 million (or less than 1%) for the six months ended June 30, 2012 and 2011, respectively, and $6.9 million and $0.4 million (or less than 1%) for the three months ended June 30, 2012 and 2011, respectively. O&G's cumulative holdings of the Company's stock as of June 30, 2012 and 2011 were 600,000 shares, or 1.26% of total common shares outstanding at June 30, 2012.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
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The Company has periodically utilized flight services from JF Aviation, LLC. James A. Frost is the Owner of JF Aviation, LLC and serves as Executive Vice President and Chief Executive Officer of the Company's Civil segment. During the six months ended June 30, 2012 and 2011, the transactions amounted to approximately $0.4 million and $0.2 million, respectively, and during the three months ended June 30, 2012 and 2011, the transactions amount to approximately $0.1 million and $0.2 million, respectively.

(15) Separate Financial Information of Subsidiary Guarantors of Indebtedness

The Company's obligation to pay principal and interest on its 7.625% senior unsecured notes due November 1, 2018, is guaranteed on a joint and several basis by substantially all of the Company's existing and future subsidiaries that guarantee obligations under the Company's Credit Agreement, with certain exceptions (the "Guarantors"). The guarantees are full and unconditional and the Guarantors are 100%-owned by the Company. The following supplemental condensed consolidating financial information reflects the summarized financial information of the Company as the issuer, the Guarantors and the Company's non-guarantor subsidiaries on a combined basis.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING BALANCE SHEET – JUNE 30, 2012 (UNAUDITED)
(In Thousands)

	Tutor Perini Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total Consolidated
ASSETS					
Cash and Cash Equivalents	$ 138,340	$ 16,425	$ 30,621	$ -	$ 185,386
Restricted Cash	30,216	8,468	-	-	38,684
Accounts Receivable	123,223	1,122,420	5,162	(52,041)	1,198,764
Costs and Estimated Earnings in Excess of Billings	96,140	296,926	152	(18,282)	374,936
Deferred Income Taxes	-	15,381	-	(12,450)	2,931
Other Current Assets	89,467	48,789	1,485	(38,057)	101,684
Total Current Assets	477,386	1,508,409	37,420	(120,830)	1,902,385
Long-term Investments	46,283	-	-	-	46,283
Property and Equipment, net	59,563	423,951	4,977	-	488,491
Intercompany Notes and Receivables	48,073	617,153	(13,429)	(651,797)	-
Other Assets:					
Goodwill	-	570,646	-	-	570,646
Intangible Assets, net	-	133,715	-	-	133,715
Investment in Subsidiaries	2,025,111	132	50	(2,025,293)	-
Other	32,312	9,132	20,375	(26,767)	35,052
	$ 2,688,728	$ 3,263,138	$ 49,393	$ (2,824,687)	$ 3,176,572
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current Maturities of Long-term Debt	$ 41,450	$ 23,589	$ -	$ -	$ 65,039
Accounts Payable	54,630	707,568	1,065	(70,323)	692,940
Billings in Excess of Costs and Estimated Earnings	86,735	275,910	34	-	362,679
Accrued Expenses and Other Current Liabilities	110,227	98,284	32,088	(50,507)	190,092
Total Current Liabilities	293,042	1,105,351	33,187	(120,830)	1,310,750
Long-term Debt, less current maturities	531,120	118,954	-	(24,777)	625,297
Deferred Income Taxes	53,210	7,761	-	(1,990)	58,981
Other Long-term Liabilities	120,886	4,207	-	-	125,093
Contingencies and Commitments					
Intercompany Notes and Advances Payable	634,019	16,702	1,076	(651,797)	-
Stockholders' Equity	1,056,451	2,010,163	15,130	(2,025,293)	1,056,451
	$ 2,688,728	$ 3,263,138	$ 49,393	$ (2,824,687)	$ 3,176,572

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING BALANCE SHEET - DECEMBER 31, 2011 (UNAUDITED)
(In Thousands)

	Tutor Perini Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total Consolidated
ASSETS					
Cash and Cash Equivalents	$ 134,936	$ 52,492	$ 16,812	$ -	$ 204,240
Restricted Cash	26,985	8,452	-	-	35,437
Accounts Receivable	106,540	1,257,384	10,173	(99,066)	1,275,031
Costs and Estimated Earnings in Excess of Billings	103,418	254,828	152	-	358,398
Deferred Income Taxes	-	-	-	-	-
Other Current Assets	53,513	48,218	2,767	(27,570)	76,928
Total Current Assets	425,392	1,621,374	29,904	(126,636)	1,950,034
Long-term Investments	62,311	-	-	-	62,311
Property and Equipment, net	49,343	436,921	5,113	-	491,377
Intercompany Notes and Receivables	9,232	705,371	(10,761)	(703,842)	-
Other Assets:					
Goodwill	-	892,602	-	-	892,602
Intangible Assets, net	-	197,999	-	-	197,999
Investment in Subsidiaries	2,431,150	300	50	(2,431,500)	-
Other	13,830	9,183	20,375	(24,584)	18,804
	$ 2,991,258	$ 3,863,750	$ 44,681	$ (3,286,562)	$ 3,613,127
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current Maturities of Long-term Debt	$ 36,105	$ 23,854	$ -	$ -	$ 59,959
Accounts Payable	40,072	844,664	55	(99,066)	785,725
Billings in Excess of Costs and Estimated Earnings	58,877	325,371	34	-	384,282
Accrued Expenses and Other Current Liabilities	39,870	123,598	27,370	(27,570)	163,268
Total Current Liabilities	174,924	1,317,487	27,459	(126,636)	1,393,234
Long-term Debt, less current maturities	507,482	129,650	-	(24,584)	612,548
Deferred Income Taxes	89,798	8,123	-	-	97,921
Other Long-term Liabilities	104,740	4,857	-	-	109,597
Contingencies and Commitments					
Intercompany Notes and Advances Payable	714,487	(15,835)	5,190	(703,842)	-
Stockholders' Equity	1,399,827	2,419,468	12,032	(2,431,500)	1,399,827
	$ 2,991,258	$ 3,863,750	$ 44,681	$ (3,286,562)	$ 3,613,127

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME (UNAUDITED)
THREE MONTHS ENDED JUNE 30, 2012
(In Thousands)

	Tutor Perini Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total Consolidated
Revenues	$ 94,440	$ 906,260	$ -	$ (15,354)	$ 985,346
Cost of Operations	83,035	834,481	(3,877)	(15,354)	898,285
Gross Profit	11,405	71,779	3,877	-	87,061
General and Administrative Expenses	16,830	47,330	501	-	64,661
Goodwill and Intangible Assets Impairment	-	376,574	-	-	376,574
(LOSS) INCOME FROM CONSTRUCTION OPERATIONS	(5,425)	(352,125)	3,376	-	(354,174)
Equity in Earnings of Subsidiaries	(339,844)	-	-	339,844	-
Other Income (Expense), net	535	331	216	-	1,082
Interest Expense	(9,613)	(990)	-	-	(10,603)
(Loss) Income before Income Taxes	(354,347)	(352,784)	3,592	339,844	(363,695)
Benefit (Provision) for Income Taxes	5,924	10,828	(1,480)	-	15,272
(LOSS) NET INCOME	$ (348,423)	$ (341,956)	$ 2,112	$ 339,844	$ (348,423)
Other Comprehensive Income:					
Other Comprehensive Income of Subsidiaries	(261)	-	-	261	-
Foreign currency translation	-	(266)	-	-	(266)
Change in fair value of investments	-	5	-	-	5
Change in fair value of interest rate swap	(334)	-	-	-	(334)
Realized loss on sale of investments recorded in Net (Loss) Income	-	-	-	-	-
Total Other Comprehensive Income	(595)	(261)	-	261	(595)
Total Comprehensive Income	$ (349,018)	$ (342,217)	$ 2,112	$ 340,105	$ (349,018)

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME (UNAUDITED)
THREE MONTHS ENDED JUNE 30, 2011
(In Thousands)

	Tutor Perini Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total Consolidated
Revenues	$ 67,629	$ 763,017	$ 13,526	$ (24,314)	$ 819,858
Cost of Operations	57,737	691,348	7,877	(24,314)	732,648
Gross Profit	9,892	71,669	5,649	-	87,210
General and Administrative Expenses	15,247	33,540	1,388	-	50,175
(LOSS) INCOME FROM CONSTRUCTION OPERATIONS	(5,355)	38,129	4,261	-	37,035
Equity in Earnings of Subsidiaries	27,297	-	-	(27,297)	-
Other Income (Expense), net	77	1,106	49	-	1,232
Interest Expense	(6,693)	(521)	(38)	-	(7,252)
Income (Loss) before Income Taxes	15,326	38,714	4,272	(27,297)	31,015
Benefit (Provision) for Income Taxes	4,368	(14,130)	(1,559)	-	(11,321)
NET(LOSS) INCOME	$ 19,694	$ 24,584	$ 2,713	$ (27,297)	$ 19,694
Other Comprehensive Income:					
Other Comprehensive Income of Subsidiaries	45	-	-	(45)	-
Foreign currency translation	-	45	-	-	45
Total Other Comprehensive Income	45	45	-	(45)	45
Total Comprehensive Income	$ 19,739	$ 24,629	$ 2,713	$ (27,342)	$ 19,739

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME (UNAUDITED)
SIX MONTHS ENDED JUNE 30, 2012
(In Thousands)

	Tutor Perini Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total Consolidated
Revenues	$ 163,565	$ 1,767,955	$ -	$ (33,640)	$ 1,897,880
Cost of Operations	145,729	1,620,375	(7,804)	(33,640)	1,724,660
Gross Profit	17,836	147,580	7,804	-	173,220
General and Administrative Expenses	35,739	97,048	1,070	-	133,857
Goodwill and Intangible Assets Impairment	-	376,574	-	-	376,574
(LOSS) INCOME FROM CONSTRUCTION OPERATIONS	(17,903)	(326,042)	6,734	-	(337,211)
Equity in Earnings of Subsidiaries	(322,312)	-	-	322,312	-
Other Income (Expense), net	(1,529)	(145)	448	-	(1,226)
Interest Expense	(19,684)	(2,001)	-	-	(21,685)
(Loss) Income before Income Taxes	(361,428)	(328,188)	7,182	322,312	(360,122)
Benefit (Provision) for Income Taxes	11,802	1,531	(2,837)	-	10,496
(LOSS) NET INCOME	$ (349,626)	$ (326,657)	$ 4,345	$ 322,312	$ (349,626)
Other Comprehensive Income:					
Other Comprehensive Income of Subsidiaries	264	-	-	(264)	-
Foreign currency translation	-	57	-	-	57
Change in fair value of investments	-	207	-	-	207
Change in fair value of interest rate swap	(1,019)	-	-	-	(1,019)
Realized loss on sale of investments recorded in Net (Loss) Income	2,005	-	-	-	2,005
Total Other Comprehensive Income	1,250	264	-	(264)	1,250
Total Comprehensive Income	$ (348,376)	$ (326,393)	$ 4,345	$ 322,048	$ (348,376)

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME (UNAUDITED)
SIX MONTHS ENDED JUNE 30, 2011
(In Thousands)

	Tutor Perini Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total Consolidated
Revenues	$ 152,987	$ 1,309,511	$ 13,526	$ (40,877)	$ 1,435,147
Cost of Operations	128,653	1,192,048	5,650	(40,877)	1,285,474
Gross Profit	24,334	117,463	7,876	-	149,673
General and Administrative Expenses	30,564	61,782	1,779	-	94,125
(LOSS) INCOME FROM CONSTRUCTION OPERATIONS	(6,230)	55,681	6,097	-	55,548
Equity in Earnings of Subsidiaries	38,343	-	-	(38,343)	-
Other Income (Expense), net	1,103	(380)	62	-	785
Interest Expense	(13,329)	(1,040)	(38)	-	(14,407)
Income (Loss) before Income Taxes	19,887	54,261	6,121	(38,343)	41,926
Benefit (Provision) for Income Taxes	6,736	(19,805)	(2,234)	-	(15,303)
NET (LOSS) INCOME	$ 26,623	$ 34,456	$ 3,887	$ (38,343)	$ 26,623
Other Comprehensive Income:					
Other Comprehensive Income of Subsidiaries	89	-	-	(89)	-
Foreign currency translation	-	89	-	-	89
Total Other Comprehensive Income	89	89	-	(89)	89
Total Comprehensive Income	$ 26,712	$ 34,545	$ 3,887	$ (38,432)	$ 26,712

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS (UNAUDITED)
SIX MONTHS ENDED JUNE 30, 2012
(In Thousands)

	Tutor Perini Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total Consolidated
Cash Flows from Operating Activities:					
Net (loss) income	$ (349,626)	$ (326,657)	$ 4,345	$ 322,312	$ (349,626)
Adjustments to reconcile net income to net cash from operating activities:					
Goodwill and intangible assets impairment	-	376,574	-	-	376,574
Depreciation and amortization	2,130	29,840	136	-	32,106
Equity in earnings of subsidiaries	322,312	-	-	(322,312)	-
Stock-based compensation expense	5,074	-	-	-	5,074
Deferred income taxes	(38,696)	(3,725)	-	-	(42,421)
(Gain) Loss on sale of equipment	-	530	-	-	530
Loss on sale of investments	2,699	-	-	-	2,699
Other long-term liabilities	(1,483)	(2,523)	-	-	(4,006)
Other non-cash items	322	195	-	-	517
Changes in other components of working capital	55,269	(120,604)	12,021	-	(53,314)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ (1,999)	$ (46,370)	$ 16,502	$ -	$ (31,867)
Cash Flows from Investing Activities:					
Acquisition of property and equipment	(8,500)	(13,288)	-	-	(21,788)
Proceeds from sale of property and equipment	304	9,310	-	-	9,614
Investments in available-for-sale securities	-	(535)	-	-	(535)
Proceeds from sale of available-for-sale securities	16,553	-	-	-	16,553
Change in restricted cash	(3,231)	(16)	-	-	(3,247)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	$ 5,126	$ (4,529)	$ -	$ -	$ 597
Cash Flows from Financing Activities:					
Proceeds from debt	306,538	44	-	-	306,582
Repayment of debt	(277,668)	(13,249)	-	-	(290,917)
Business acquisition related payments	(2,932)	-	-	-	(2,932)
Issuance of common stock and effect of cashless exercise	(307)	-	-	-	(307)
Debt issuance costs	(10)	-	-	-	(10)
Increase (decrease) in intercompany advances	(25,344)	28,037	(2,693)	-	-
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	$ 277	$ 14,832	$ (2,693)	$ -	$ 12,416
Net Increase (Decrease) in Cash and Cash Equivalents	3,404	(36,067)	13,809	-	(18,854)
Cash and Cash Equivalents at Beginning of Year	134,936	52,492	16,812	-	204,240
Cash and Cash Equivalents at End of Period	$ 138,340	$ 16,425	$ 30,621	$ -	$ 185,386

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS (UNAUDITED)
SIX MONTHS ENDED JUNE 30, 2011
(In Thousands)

	Tutor Perini Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total Consolidated
Cash Flows from Operating Activities:					
Net income	$ 26,623	$ 34,456	$ 3,887	$ (38,343)	$ 26,623
Adjustments to reconcile net income to net cash from operating activities:					
Depreciation and amortization	2,694	13,788	503	-	16,985
Equity in earnings of subsidiaries	(38,343)	-	-	38,343	-
Stock-based compensation expense	7,085	-	-	-	7,085
Excess income tax benefit from stock-based compensation	(18)	-	-	-	(18)
Deferred income taxes	(1,149)	(126)	-	-	(1,275)
Loss on sale of equipment	-	146	-	-	146
Other long-term liabilities	(1,185)	(3,234)	-	-	(4,419)
Other non-cash items	(570)	(136)	(693)	-	(1,399)
Changes in other components of working capital	(38,617)	(94,577)	994	-	(132,200)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ (43,480)	$ (49,683)	$ 4,691	$ -	$ (88,472)
Cash Flows from Investing Activities:					
Acquisitions, net of cash balance acquired	(161,711)	-	-	-	(161,711)
Acquisition of property and equipment	(1,877)	(19,207)	(1,087)	-	(22,171)
Proceeds from sale of property and equipment	20	3,360	42	-	3,422
Proceeds from sale of available-for-sale securities	-	7,388	-	-	7,388
Change in restricted cash	(3,417)	(403)	(2)	-	(3,822)
Investment in other activities	(2,725)	-	-	-	(2,725)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	$ (169,710)	$ (8,862)	$ (1,047)	$ -	$ (179,619)
Cash Flows from Financing Activities:					
Proceeds from debt	207,275	50,900	-	-	258,175
Repayment of debt	(7,939)	(28,682)	-	-	(36,621)
Business acquisition related payments	(1,904)	-	-	-	(1,904)
Excess income tax benefit from stock-based compensation	18	-	-	-	18
Issuance of Common Stock and effect of cashless exercise	256	-	-	-	256
Debt issuance costs	(2,233)	-	-	-	(2,233)
Increase (decrease) in intercompany advances	139,729	(129,614)	(10,115)	-	-
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	$ 335,202	$ (107,396)	$ (10,115)	$ -	$ 217,691
Net Increase (Decrease) in Cash and Cash Equivalents	122,012	(165,941)	(6,471)	-	(50,400)
Cash and Cash Equivalents at Beginning of Year	222,156	220,086	29,136	-	471,378
Cash and Cash Equivalents at End of Period	$ 344,168	$ 54,145	$ 22,665	$ -	$ 420,978

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discusses our financial position at June 30, 2012, and the results of our operations for the three and six months ended June 30, 2012 and should be read in conjunction with: (1) the unaudited consolidated condensed financial statements and notes contained herein, and (2) the consolidated financial statements and accompanying notes to our Annual Report on Form 10-K for the fiscal year ended December 31, 2011.

Overview

We were incorporated in 1918 as a successor to businesses that had been engaged in providing construction services since 1894. We provide diversified general contracting, construction management and design-build services to private clients and public agencies throughout the world. Our construction business is conducted through four basic segments or operations: Civil, Building, Specialty Contractors and Management Services. Our Civil segment specializes in public works construction and the repair, replacement and reconstruction of infrastructure, including highways, bridges, mass transit systems and water and wastewater treatment facilities, primarily in the western, northeastern and mid-Atlantic United States. Our Building segment has significant experience providing services to a number of specialized building markets, including the hospitality and gaming, transportation, healthcare, municipal offices, sports and entertainment, educational, correctional facilities, biotech, pharmaceutical and high-tech markets. Our Specialty Contractors segment specializes in plumbing, HVAC, electrical, mechanical, and pneumatically placed concrete for a full range of civil, building and management services construction projects in the industrial, commercial, hospitality and gaming, and transportation end markets, among others. Our Management Services segment provides diversified construction and design-build services to the U.S. military and federal government agencies, as well as surety companies and multi-national corporations in the United States and overseas.

The contracting and management services that we provide consist of general contracting, pre-construction planning and comprehensive management services, including planning and scheduling the manpower, equipment, materials and subcontractors required for the timely completion of a project in accordance with the terms and specifications contained in a construction contract. We also offer self-performed construction services including site work, concrete forming and placement, steel erection, electrical and mechanical, plumbing and HVAC. We provide these services by using traditional general contracting arrangements, such as fixed price, guaranteed maximum price and cost plus fee contracts and, to a lesser extent, construction management or design-build contracting arrangements. In the ordinary course of our business, we enter into arrangements with other contractors, referred to as "joint ventures," for certain construction projects. Each of the joint venture participants is usually committed to supply a predetermined percentage of capital, as required, and to share in a predetermined percentage of the income or loss of the project. Generally, each joint venture participant is fully liable for the obligations of the joint venture.

We believe our leadership position as the contractor of choice for large, complex civil and nonresidential building projects will support our long term backlog growth and provide further visibility into the future earnings of our business. We have capitalized on this leadership position during the first half of 2012 with significant new awards and low bids across each of our segments including the recently announced award for the Hudson Yards development project, which will be booked into backlog as various phases are released, several recent low bids in our Civil Group and several Specialty Contractors Group subcontracts on our current large complex civil and nonresidential building projects. We expect to continue to leverage our increased self-performance and schedule control capabilities to obtain additional large scale Civil and Building backlog awards through the remainder of 2012.

For the three and six months ended June 30, 2012, we recorded revenues of $985.3 million and $1,897.9 million, losses from construction operations of $354.2 million and $337.2 million, and net losses of $348.4 million and $349.6 million, respectively, as compared to revenues of $819.9 million and $1,435.1 million, income from construction operations of $37.0 million and $55.5 million, and net income of $19.7 million and $26.6 million for the three and six months ended June 30, 2011. Our results of operations for the three and six months ended June 30, 2012 were materially impacted by a $376.6 million goodwill and intangible asset impairment charge ($355.9 million after-tax), as discussed in further detail under the Critical Accounting Policies below. We performed an interim impairment test of goodwill and intangible assets during the three months ended June 30, 2012, due to fact that the Company experienced a sustained decrease in its stock price, causing its market capitalization to be substantially less than its carrying value and its implied control premium to increase beyond the implied control premium that was reconciled in its 2011 annual impairment analysis, and beyond the observable market comparable level. Additionally, deterioration in broader market conditions including recent stock market volatility, particularly in the construction industry, impacted the weighted average cost of capital rate assumptions used in deriving the fair values of our reporting units, which are based primarily on market inputs. Finally, several of our reporting units have experienced a degradation in the timing of projected cash flows used in deriving the fair values of those reporting units in our 2011 annual impairment analysis caused by delays in the timing of the award and start of new work.

Our volume increased during 2012 primarily due to the contributions from our acquisitions, partially offset by the substantial completion of several successful large public works and hospitality and gaming projects in 2011. Our income from operations and operating margins decreased due to several factors including: the substantial completion of several successful large public works projects in early 2011, the current under absorption of our general and administrative expenses, particularly in our Building segment, as we are starting up several high quality pending award and prospect projects led by the recently announced Hudson Yards development project, and an unfavorable change in new work margin mix. This decrease was partially offset by contributions from our 2011 acquisitions. We continue to experience strong contributions from our Specialty Contractors segment, consistent with our strategy of focusing on the growth of our self-performance capabilities. Our Management Services segment is focused on obtaining new work with various U.S government agencies, including the U.S. military, both domestically and abroad as evidenced by its consistent backlog. Our operating results also reflect the impacts of a $20.7 million reduction in our provision for income taxes recorded due to the goodwill and intangible asset impairment charges, a $3.6 million increase to our provision for income taxes due to discrete tax adjustments identified in March 2012 as well as a $2.7 million loss on the sale of a portion of our auction rate securities. We also had increased interest expense with our term loan which was entered into in August 2011, and increased amortization of acquisition-related intangible assets.

At June 30, 2012, we had working capital of $591.6 million, a ratio of current assets to current liabilities of 1.45 to 1.00, and a ratio of long-term debt to equity of 0.59 to 1.00 as compared to working capital of $556.8 million, a ratio of current assets to current liabilities of 1.40 to 1.00 and a ratio of long-term debt to equity of 0.44 to 1.00 at December 31, 2011. Our stockholders' equity decreased to $1.1 billion as of June 30, 2012, as compared to $1.4 billion as of December 31, 2011. The increase in our long-term debt to equity ratio and the decrease in our stockholders' equity at June 30, 2012 primarily reflect the impact of the $376.6 million goodwill and intangible asset impairment charge ($355.9 million after tax) recorded during the period.

To supplement our unaudited consolidated financial statements presented based on accounting principles generally accepted in the United States of America ("GAAP"), we sometimes use non-GAAP measures of income from operations, net income, earnings per share and other measures that we believe are appropriate to enhance an overall understanding of our historical financial performance and future prospects. We are providing these measures to provide additional information to facilitate the comparison of past and present operations, and they are among the indicators management uses as a basis for evaluating its financial performance as well as for forecasting future periods. For these reasons, management believes these non-GAAP measures can be useful operating performance measures to be considered by investors, potential investors and others. These measures are not intended to replace the presentation of our financial results in accordance with GAAP, and they may not be comparable to other similarly titled measures of other companies. A table reconciling reported loss from construction operations, net loss, and diluted loss per share under GAAP to income from operations, net income and diluted earnings per share in 2012, excluding discrete items, is attached. Included in discrete items are the impacts of: (i) the $355.9 million after-tax impairment charge, (ii) $3.6 million of discrete tax expense items related to an increase in unrecognized tax benefits and an adjustment, both associated with certain stock-based compensation items identified during the first quarter of 2012, and (iii) a $1.6 million after-tax realized loss on the sale of auction rate securities in the first quarter of 2012.

Reconciliation of Non-GAAP Measures

	Reportable Segments				
	Building	**Civil**	**Specialty Contractors**	**Management Services**	**Consolidated Total (1)**
Three Months Ended June 30, 2012					
Income from Construction Operations					
As reported	(297,095)	(39,741)	8,379	(15,122)	(354,174)
Plus impairment charge	282,608	65,503	11,489	16,974	376,574
Total, excluding discrete items	(14,487)	25,762	19,868	1,852	22,400

	Reportable Segments				
	Building	**Civil**	**Specialty Contractors**	**Management Services**	**Consolidated Total (1)**
Six Months Ended June 30, 2012					
Income from Construction Operations					
As reported	(305,992)	(22,899)	28,127	(13,236)	(337,211)
Plus impairment charge	282,608	65,503	11,489	16,974	376,574
Total, excluding discrete items	(23,384)	42,604	39,616	3,738	39,363

(1) Consolidated total includes corporate and other general and administrative expenses not impacted by the impairment charge.

	For the three months ended June 30, 2012	**For the six months ended June 30, 2012**
Reported Net Loss	$ (348,423)	$ (349,626)
Plus: Impairment charge	376,574	376,574
Less: Tax benefit provided on impairment charge	(20,653)	(20,653)
Plus: Realized loss on sale of investments	-	2,699
Less: Tax benefit provided on realized loss	-	(1,057)
Plus: Discrete tax adjustments	-	3,649
Net Income, excluding discrete items	$ 7,498	$ 11,586
Reported diluted earnings per common share	$ (7.35)	$ (7.38)
Plus: Impairment charge	7.51	7.51
Plus: Discrete tax adjustments	-	0.08
Plus: Realized loss on sale of investments	-	0.03
Diluted earnings per common share, excluding discrete items	$ 0.16	$ 0.24

Recent Developments

Updates on Significant Litigation Matters

MGM CityCenter Matter

As part of our long-standing case against MGM regarding the CityCenter project in Las Vegas, Nevada, MGM had filed a motion to demolish the Harmon Tower, which we previously opposed. In July 2012, the Court determined that MGM can demolish the Harmon Tower as a "business decision," but that doing so would not be the result of any actions by our subsidiary, Tutor Perini Building Corp., during the construction of the project and that the Court's decision is not "a determination as to whether any design defects exist, any noncompliance with code exists, any nonconformance with plans exists or any construction defects exist."

Evidence presented at the July 2012 hearing demonstrated that the Harmon Tower is safe and during the hearing the Court did not make any determination that it cannot be repaired. Additionally, after two years of litigation, MGM conceded that the Harmon Tower could be repaired if MGM chose to do so. The evidence at the hearing established that the Harmon Tower could be fully repaired for approximately $21 million, more than $15 million of which is due to design defects that are MGM's responsibility. We remain confident that we will prevail when the issues of safety, reparability and responsibility for the issues facing the Harmon Tower are considered. Discovery continues on the case with additional briefing on various legal issues in July and August 2012. Trial is now scheduled for June 2013.

156 Stations Matter

Regarding the 156 Stations matter, in June 2012, an arbitration panel awarded our subsidiary, Five Star Electric Corporation ("FSE"), a total of approximately $11.9 million due within 45 days, and the owner's claims on the case were denied. This settlement did not have a material effect on the Company's consolidated financial statements.

Amended Employment Agreement for Chairman and Chief Executive Officer

On June 1, 2012, we entered into an amended and restated employment agreement (the "Amended Agreement") with Ronald N. Tutor, Chairman and Chief Executive Officer of the Company. The Amended Agreement amends and restates the employment agreement originally entered into with Mr. Tutor on December 23, 2008, as amended by Amendment No.1 dated March 20, 2009. The principal reason for the Amended Agreement is to secure Mr. Tutor's services through December 31, 2016, and we believe the Amended Agreement provides for several key changes that will provide a stronger alignment between Mr. Tutor's compensation and shareholder value creation.

Amended Credit Agreement

On August 2, 2012, we entered into a First Amendment (the "First Amendment") to our Fifth Amended and Restated Credit Agreement (the "Credit Agreement") entered into on August 3, 2011 as Borrower, with Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer (the "Lender"). The First Amendment modifies the financial covenants under the Credit Agreement to allow for more favorable minimum net worth, minimum fixed charge and maximum leverage ratios for us and also to add several new financial covenants including minimum liquidity and a consolidated senior leverage ratio. The First Amendment also modifies the applicable interest rates for amounts outstanding under the credit facility as well as the quarterly fees per annum for the unused portion of the credit facility, and it increases the sublimit for letters of credit from $50 million to $150 million. In conjunction with the First Amendment, we obtained a waiver of compliance with the covenants of the Credit Agreement for the period ended June 30, 2012 as we otherwise would not have been in compliance with the minimum fixed charge and maximum leverage ratios under the Credit Agreement due to our goodwill and intangible asset impairment charge as discussed above, current debt levels and lower than expected income from operations. We expect to be in compliance with the modified financial covenants under the First Amendment.

Backlog of $5.9 Billion and Recent Pending Awards

Our backlog of uncompleted construction work at June 30, 2012 was approximately $5.9 billion compared to $6.1 billion at December 31, 2011. During the three months ended June 30, 2012 we converted a number of pending awards into backlog across each of our business segments, and we had significant adjustments to existing contracts. Significant awards include a $178 million courthouse in Florida, a $99 million electrical subcontract for a civil infrastructure project on the west coast, a $95 million hospitality project in Nevada, and a $94 million task order contract for the U.S. Army Corps of Engineers for the construction of three electrical substations and transmission lines in Afghanistan. In addition, we have significant pending contract awards, including over $1 billion in Building segment projects such as the Hudson Yards development, over $500 million of low bids on civil transportation and bridge projects and over $150 million of low bids on various specialty contracts that we anticipate will enter into backlog in 2012 as the contracts for these projects are executed. We are continuing to track several large scale civil and building prospects for both public and private sector customers as we continue to leverage our self-performance and schedule control capabilities.

(dollars in millions)	Backlog at December 31, 2011	New Business Awarded [1]	Revenues Recognized	Backlog at June 30, 2012
Building	$ 2,248.9	$ 608.7	$ (671.1)	$ 2,186.5
Civil	2,222.2	254.5	(573.1)	1,903.6
Specialty Contractors	1,371.5	641.0	(543.3)	1,469.2
Management Services	265.7	140.3	(110.4)	295.6
Total	$ 6,108.3	$ 1,644.5	$ (1,897.9)	$ 5,854.9

(1) New business awarded consists of the original contract price of projects added to our backlog plus or minus subsequent changes to the estimated total contract price of existing changes.

Critical Accounting Policies

Our significant accounting policies are described in Note 1 of Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2011. Our critical accounting policies are also identified and discussed in Item 7 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2011. During the six months ended June 30, 2012, we adopted the following accounting pronouncements that were issued in 2011:

In May 2011, the Financial Accounting Standard Board ("FASB") issued a staff position amending existing guidance for fair value measurements and disclosures in both interim and annual financial statements. This update expands the disclosures for fair value measurements that are estimated using significant unobservable (Level 3) inputs. Other than requiring additional disclosures, adoption of this update has not had a material effect on our consolidated financial statements.

In June 2011, the FASB issued a staff position which requires an entity to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income, or in two separate but consecutive statements. This update eliminates the option to present components of other comprehensive income as part of the statement of equity. The adoption of this update has not had a material effect on our consolidated financial statements.

In September 2011, the FASB issued a staff position that gives an entity the option to make a qualitative evaluation about the likelihood of goodwill impairment. An entity that adopts this option will be required to perform the two-step impairment test only if it concludes that the fair value of a reporting unit is more likely than not less than its carrying value. On January 1, 2012, we adopted this option. The adoption of this option has not had a material effect on our consolidated financial statements, but it may impact the manner in which we perform testing for goodwill impairment.

In July 2012, the FASB issued a staff position that gives an entity the option to make a qualitative evaluation about the likelihood of indefinite-lived intangible asset impairment. An entity that adopts this option will be required to perform the quantitative test only if it concludes that the fair value of the indefinite-lived intangible asset is more likely than not less than its carrying value. The effective date is for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012. We do not expect the adoption of this option to have a material effect on our consolidated financial statements, but it may impact the manner in which we perform testing for indefinite-lived intangible asset impairment.

Impairment of goodwill and intangible assets - We test goodwill and intangible assets with indefinite lives for impairment by applying a fair value test in the fourth quarter of each year and between annual tests if events occur or circumstances change which suggest that the goodwill or intangible assets should be evaluated. Intangible assets with finite lives are also tested for impairment whenever events or circumstances indicate that the carrying value may not be recoverable. During the three months ended June 30, 2012, the Company experienced a sustained decrease in its stock price, causing its market capitalization to be substantially less than its carrying value and its implied control premium to increase beyond the implied control premium that was reconciled in our 2011 annual impairment analysis, and beyond the observable market comparable level. Additionally, deterioration in broader market conditions including recent stock market volatility, particularly in the construction industry, impacted the weighted average cost of capital rate assumptions used in deriving the fair values of our reporting units, which are based primarily on market inputs. Finally, several of our reporting units have experienced a degradation in the timing of projected cash flows used in deriving the fair values of those reporting units in our 2011 annual impairment analysis, caused by delays in the timing of the award and start of new work. Based on these circumstances and events, we have performed an interim goodwill and indefinite lived intangible asset impairment test as of June 30, 2012, and as a result, we recorded a goodwill impairment charge of $321.1 million and an indefinite lived intangible assets impairment charge of $16.4 million. We also evaluated our finite lived tangible and intangible assets due to the degradation in the timing of projected cash flows since our 2011 impairment analysis and changes in the planned use of certain intangible assets, and this analysis resulted in a $39.1 million impairment charge on our finite lived intangible assets. These non-cash charges do not impact our overall business operations.

The first step in the two-step process of the impairment analysis is to compare the fair value of the reporting unit to its carrying value. If the carrying value of the reporting unit exceeds its fair value, a second step must be followed to calculate the goodwill impairment. The second step involves determining the fair value of the individual assets and liabilities of the reporting unit and calculating the implied fair value of goodwill. To determine the fair value of the Company and each of its reporting units, we perform both an income-based valuation approach as well as a market-based valuation approach. The income-based valuation approach is based on the cash flows that the reporting unit expects to generate in the future and requires us to project revenues, operating expenses, working capital investment, capital spending and cash flows for the reporting unit in a discrete period, as well as to determine the weighted-average cost of capital to be used as a discount rate and a terminal value growth rate for the non-discrete period. The market-based valuation approach to estimate the fair value of our reporting units utilizes industry multiples of revenues and operating earnings. We equally weight the fair values calculated under the income-based and market-based valuation approaches in arriving at the concluded fair values of our reporting units.

Once the Company's total fair value was determined in the first step of its interim impairment analysis, we reconciled the Company's fair value to its market capitalization and concluded that the implied control premium associated with the fair value estimate was reasonable based in part on current comparable market data.

Impairment assessment inherently involves management judgments as to the assumptions used to project these amounts and the impact of market conditions on those assumptions. The key assumptions that we use to estimate the fair value of our reporting units under the income-based approach are as follows:

- Weighted average cost of capital used to discount the projected cash flows;
- Cash flows generated from existing and new work awards; and
- Projected operating margins.

Weighted average cost of capital rates used to discount the projected cash flows are developed via the capital asset pricing model which is primarily based upon market inputs. We use discount rates that we feel are an accurate reflection of the risks associated with the forecasted cash flows of our respective reporting units. Weighted-average cost of capital inputs ranged from 15-16.5% for our reporting units. As discussed above, the weighted average cost of capital rates were impacted since our 2011 annual impairment analysis broader market conditions including the recent stock market volatility, particularly in the construction industry.

To develop the cash flows generated from new work awards and future operating margins, we track prospective work for each of our reporting units primarily on a project-by-project basis as well as the estimated timing of when the work would be bid or prequalified, started and completed. We also give consideration to our relationships with the prospective owners, the pool of competitors that are capable of performing large, complex work, changes in business strategy, and our history of success in winning new work in each reporting unit. With regard to operating margins, we give consideration to our historical reporting unit operating margins in the end markets that the prospective work opportunities are most significant, current market trends in recent new work procurement, and changes in business strategy.

We also estimate the fair value of our reporting units under a market-based approach by applying industry-comparable multiples of revenues and operating earnings to its reporting units' projected performance. The conditions and prospects of companies in the construction industry depend on common factors such as overall demand for services.

Changes in our assumptions or estimates could materially affect the determination of the fair value of a reporting unit. Such changes in assumptions could be caused by:

- Terminations, suspensions, reductions in scope or delays in the start-up of the revenues and cash flows from backlog as well as the prospective work tracked;
- Reductions in available government, state and local agencies and non-residential private industry funding and spending;
- Our ability to effectively compete for new work and maintain and grow market penetration in the regions that we operate in;
- Our ability to successfully control costs, work schedule, and project delivery; or
- Broader market conditions, including stock market volatility in the construction industry and its impact on the weighted average cost of capital assumption.

With regard to our reporting units, the carrying values of our Building, Civil and Management Services reporting units were greater than the fair values, and as such, we performed the second step of the goodwill impairment test for these reporting units which resulted in goodwill impairments as detailed in Note 6 to the Notes to Consolidated Condensed Financial Statements. The fair value of the Specialty Contractors reporting unit substantially exceeded its carrying value, and as such, it was not necessary to perform the second step of the goodwill impairment test for this reporting unit.

We are currently in the process of finalizing several of the key assumptions used in our interim impairment analysis, and we anticipate completion of this analysis in the third quarter of 2012. As the key assumptions are finalized, there may be a material adjustment to the impairment charges recorded on the Company's Consolidated Condensed Statements of Operations.

In conducting the initial step of our goodwill evaluation, we also evaluated our finite lived tangible and intangible assets due to the degradation in the timing of projected cash flows since our 2011 impairment analysis and changes in the planned use of certain intangible assets. We compared the fair value of the finite lived tangible and intangible assets to their carrying value and determined that the carrying value of a portion of these assets exceeded their fair value as determined by the income-based valuation approach and by benchmarking against observable market prices. The income-based valuation approach involves similar key assumptions to the goodwill impairment analysis discussed above, (e.g. projections of future cash flows associated with our trade name, contractor license, customer relationship and contract backlog intangible assets that were recorded in previous acquisitions). This analysis resulted in an impairment charge of $39.1 million associated with our finite lived intangible assets.

Results of Operations

Comparison of the Second Quarter Ended June 30, 2012 with the Second Quarter Ended June 30, 2011

For the second quarter of 2012, we recorded revenues of $985.3 million, losses from construction operations of $354.2 million and a net loss of $348.4 million as compared to revenues of $819.9 million, income from construction operations of $37.0 million and net income of $19.7 million for the second quarter of 2011. Basic and diluted losses per common share for 2012 were $7.35 and $7.35, respectively, as compared to basic and diluted earnings per common share of $0.42 and $0.41, respectively, for 2011. Excluding the impacts of the discrete items discussed above, we would have had income from construction operations and net income of $22.4 million and $7.5 million, respectively, and diluted earnings per common share of $0.16, for the second quarter of 2012.

(dollars in millions)	Revenues for the Three months ended June 30, 2012	2011	$ Change	% Change
Building	$ 330.2	$ 525.2	$ (195.0)	(37.1)%
Civil	323.7	146.5	177.2	121.0%
Specialty Contractors	275.9	87.2	188.7	216.4%
Management Services	55.5	61.0	(5.5)	(9.0%)
Total	$ 985.3	$ 819.9	$ 165.4	20.2%

Building segment revenues decreased by $195.0 million (or 37.1%), from $525.2 million in 2011 to $330.2 million in 2012, due primarily to the substantial completion of a large, successful public works project in Las Vegas and large hospitality and gaming projects in New York and Las Vegas.

Civil segment revenues increased by $177.2 million (or 121.0%), from $146.5 million in 2011 to $323.7 million in 2012, due primarily to the acquisitions of Frontier-Kemper Constructors, Inc. ("Frontier-Kemper"), Lunda Construction Company ("Lunda") and Becho, Inc. ("Becho") in mid 2011 which contributed approximately $166.4 million in revenues in the aggregate, an increase of $152.9 million from their contributions to 2011 revenues. Civil segment revenues also increased due to the ramp up of certain infrastructure projects on the west coast in 2012.

Specialty Contractors segment revenues increased by $188.7 million (or 216.4%), from $87.2 in 2011 to $275.9 million in 2012, due primarily to the acquisition of Five Star Electric Corporation ("FSE"), WDF, Inc. ("WDF") and Nagelbush Mechanical, Inc. ("Nagelbush") in mid 2011 which contributed approximately $204.2 million in revenues in the aggregate, partially offset by the substantial completion of certain electrical subcontracts in 2011.

Management Services segment revenues decreased by $5.5 million (or 9.0%), from $61.0 million in 2011 to $55.5 million in 2012, due primarily to the timing of progress on a task order contract for containerized housing in southern Iraq, offset by the ramp up of several recent awards including an air force base project in Guam.

(dollars in millions)	Income (Loss) from Construction Operations for the Three months ended June 30, 2012	2011	$ Change	% Change
Building before impairment charge	$ (14.5)	$ 23.5	$ (38.0)	(161.7)%
Impairment charge	(282.6)	-	(282.6)	
Building, net	(297.1)	23.5	(320.6)	NM
Civil before impairment charge	25.7	14.9	10.8	72.5%
Impairment charge	(65.5)	-	(65.5)	
Civil, net	(39.8)	14.9	(54.7)	NM
Specialty Contractors before impairment charge	19.9	1.8	18.1	NM
Impairment charge	(11.5)	-	(11.5)	
Specialty Contractors, net	8.4	1.8	6.6	NM
Management Services before impairment charge	1.9	6.5	(4.6)	(70.8)%
Impairment charge	(17.0)	-	(17.0)	
Management Services, net	(15.1)	6.5	(21.6)	NM
Corporate	(10.6)	(9.7)	(0.9)	9.3%
Total	$ (354.2)	$ 37.0	$ (391.2)	NM

**NM – Not Meaningful*

The following discussion of income from construction operations in 2012 and 2011 has been prepared on a pre-impairment charge basis in order to enable users of this information to better compare normal operating results of each segment between the two periods. Since the impairment charge impacts 2012 only and does not affect revenues, cost of revenues or general expenses we incur to conduct our day-to-day construction operations, management believes the following discussion, analysis and comparison of 2012 and 2011 operating results is more meaningful to users when prepared on a pre-impairment charge basis.

Building segment income from construction operations decreased $38.0 million (or 161.7%), from $23.5 million in 2011 to a loss of $14.5 million in 2012, due primarily to the decline in volume discussed above, as well as the favorable close out of certain projects in 2011, the current under absorption of our general and administrative expenses as we are starting up several high quality pending award and prospect projects led by the recently announced Hudson Yards development project, and certain unrecoverable costs incurred during the current period on an educational facility in Alabama. Our Building segment operating margins have also been impacted by an underlying change in mix of work from public to the more competitive private market.

Civil segment income from construction operations increased by $10.8 million (or 72.5%), from $14.9 million in 2011 to $25.7 million in 2012, due primarily to the contributions from our acquisitions discussed above of $13.3 million (net of intangible assets amortization), an increase of $11.8 million from their contributions to 2011 income from construction operations, as well as the increased volume on certain infrastructure projects on the west coast in 2012 as discussed above. This increase was partly offset by a decline in operating margin due primarily to the substantial completion of several successful public works projects on the east coast in 2011.

Specialty Contractors segment income from construction operations increased by $18.1 million, from $1.8 million in 2011 to $19.9 million in 2012, due primarily to the acquisitions discussed above which contributed approximately $18.5 million in income from construction operations (net of intangible assets amortization) in the aggregate.

Management Services segment income from construction operations decreased by $4.6 million (or 70.8%), from $6.5 million in 2011 to $1.9 million in 2012, due primarily to the favorable close out of certain projects in Iraq in 2011 and the timing of progress on a task order project for containerized housing in southern Iraq.

Corporate general and administrative expenses increased by $0.9 million (or 9.3%) from $9.7 million in 2011 to $10.6 million in 2012 due primarily to increased expenses associated with integration and system conversion activities in 2012.

Consolidated Other Income, Interest Expense and Provision for Income Taxes

(dollars in millions)	June 30, 2012	June 30, 2011	$ Change	% Change
Three months ended				
Other Income (Expense), net	$ 1.1	$ 1.2	$ (0.1)	(8.3)%
Interest Expense	(10.6)	(7.3)	(3.3)	45.2%
Benefit (Provision) for Income Taxes	15.3	(11.3)	26.6	*NM*

**NM – Not Meaningful*

Other income (expense), net remained consistent at $1.1 million in 2012 compared to $1.2 million in 2011. Interest expense increased by $3.3 million from $7.3 million in 2011 to $10.6 million in 2012, due primarily to interest expense on our term loan which was entered into in August 2011. We had an income tax benefit of $15.3 million in 2012 as compared to an expense of $11.3 million in 2011. This change was due primarily to the impairment charge discussed above, which resulted in a $20.7 million reduction in our provision for income taxes in 2012. We anticipate our effective tax rate to approximate 3.9% for the remainder of 2012, primarily due to the impairment charge.

Comparison of the Six Months Ended June 30, 2012 with the Six Months Ended June 30, 2011

In 2012 we recorded revenues of $1,897.9 million, losses from construction operations of $337.2 million and a net loss of $349.6 million as compared to revenues of $1,435.1 million, income from construction operations of $55.5 million and net income of $26.6 million in 2011. Basic and diluted losses per common share for 2012 were $7.38 and $7.38, respectively, as compared to basic and diluted earnings per common share of $0.56 and $0.56, respectively, for 2011. Excluding the impacts of the discrete items discussed above, we would have had income from construction operations and net income of $39.4 million and $11.6 million, respectively, and diluted earnings per common share of $0.24, in 2012.

	Revenues for the Six months ended June 30,			
(dollars in millions)	2012	2011	$ Change	% Change
Building	$ 671.1	$ 885.7	$ (214.6)	(24.2)%
Civil	573.1	271.5	301.6	111.1%
Specialty Contractors	543.3	178.9	364.4	203.7%
Management Services	110.4	99.0	11.4	11.5%
Total	$ 1,897.9	$ 1,435.1	$ 462.8	32.2%

Building segment revenues decreased by $214.6 million (or 24.2%), from $885.7 million in 2011 to $671.1 million in 2012, due primarily to the substantial completion of a large, successful public works project in Las Vegas and large hospitality and gaming projects in New York and Las Vegas partly offset by the acquisition of Anderson Companies ("Anderson"), which contributed approximately $242.2 million in revenues, an increase of $136.4 million from its contributions to 2011 revenues.

Civil segment revenues increased by $301.6 million (or 111.1%), from $271.5 million in 2011 to $573.1 million in 2012, due primarily to the acquisitions of Frontier-Kemper, Lunda and Becho in mid 2011 which contributed approximately $293.3 million in revenues in the aggregate, an increase of $279.8 million from their contributions to 2011 revenues. Civil segment revenues also increased due to the ramp up of certain infrastructure projects on the west coast in 2012.

Specialty Contractors segment revenues increased by $364.4 million (or 203.7%), from $178.9 million in 2011 to $543.3 million in 2012, due primarily to the acquisition of FSE, WDF and Nagelbush in mid 2011 which contributed approximately $393.1 million in revenues in the aggregate, partially offset by the substantial completion of certain electrical subcontracts in 2011.

Management Services segment revenues increased by $11.4 million (or 11.5%), from $99.0 million in 2011 to $110.4 million in 2012, due primarily to the ramp up of several recent awards including an air force base project in Guam.

(dollars in millions)	**Income (Loss) from Construction Operations for the Six months ended June 30, 2012**	**2011**	**$ Change**	**% Change**
Building before impairment charge	$ (23.4)	$ 34.7	$ (58.1)	(167.4)%
Impairment charge	(282.6)	-	(282.6)	
Building, net	(306.0)	34.7	(340.7)	*NM*
Civil before impairment charge	42.6	27.9	14.7	52.7%
Impairment charge	(65.5)	-	(65.5)	
Civil, net	(22.9)	27.9	(50.8)	*NM*
Specialty Contractors before impairment charge	39.6	2.7	36.9	*NM*
Impairment charge	(11.5)	-	(11.5)	
Specialty Contractors, net	28.1	2.7	25.4	*NM*
Management Services before impairment charge	3.8	9.2	(5.4)	(58.7)%
Impairment charge	(17.0)	-	(17.0)	
Management Services, net	(13.2)	9.2	(22.4)	*NM*
Corporate	(23.2)	(19.0)	(4.2)	22.1%
Total	$ (337.2)	$ 55.5	$ (392.7)	*NM*

**NM – Not Meaningful*

The following discussion of income from construction operations in 2012 and 2011 has been prepared on a pre-impairment charge basis in order to enable users of this information to better compare normal operating results of each segment between the two periods. Since the impairment charge impacts 2012 only and does not affect revenues, cost of revenues or general expenses we incur to conduct our day-to-day construction operations, management believes the following discussion, analysis and comparison of 2012 and 2011 operating results is more meaningful to users when prepared on a pre-impairment charge basis.

Building segment income from construction operations decreased $58.1 million (or 167.4%), from $34.7 million in 2011 to a loss of $23.4 million in 2012, due primarily to the decline in volume discussed above, as well as the favorable close out of certain projects in 2011, the current under absorption of our general and administrative expenses as we are starting up several high quality pending award and prospect projects led by the recently announced Hudson Yards development project, and certain unrecoverable costs incurred during the current period on an educational facility in Alabama. Our Building segment operating margins have also been impacted by an underlying change in mix of work from public to the more competitive private market.

Civil segment income from construction operations increased by $14.7 million (or 52.7%), from $27.9 million in 2011 to $42.6 million in 2012, due primarily to the contributions from our acquisitions discussed above of $24.3 million (net of intangible assets amortization), an increase of $22.7 million from their contributions to 2011 income from construction operations, as well as the increased volume on certain infrastructure projects on the west coast in 2012 as discussed above. This increase was partly offset by a decline in operating margin due primarily to the substantial completion of several successful public works projects on the east coast in 2011 and work performed under unapproved change orders, which we expect will provide additional profit in the period in which the change orders are approved.

Specialty Contractors segment income from construction operations increased by $36.9 million, from $2.7 in 2011 to $39.6 million in 2012, due primarily to the acquisitions discussed above which contributed approximately $36.8 million in income from construction operations (net of intangible assets amortization) in the aggregate.

Management Services segment income from construction operations decreased by $5.4 million (or 58.7%), from $9.2 million in 2011 to $3.8 million in 2012, due primarily to the favorable close out of certain projects in Iraq and Guam in 2011, offset by the increased volume on the recent new awards in 2012 discussed above.

Corporate general and administrative expenses increased by $4.2 million (or 22.1%) from $19.0 million in 2011 to $23.2 million in 2012 due primarily to increased expenses associated with integration and system conversion activities, additional acquisition related expenses, and a change in the methodology of allocating corporate expenses to our segments.

Consolidated Other Income, Interest Expense and Provision for Income Taxes

(dollars in millions)	June 30, 2012	June 30, 2011	$ Change	% Change
Six months ended				
Other Income (Expense), net	$ (1.2)	$ 0.8	$ (2.0)	(250.0)%
Interest Expense	(21.7)	(14.4)	(7.3)	50.7%
Benefit (Provision) for Income Taxes	10.5	(15.3)	25.8	*NM*

**NM – Not Meaningful*

Other income (expense), net decreased from income of $0.8 million in 2011 to an expense of $1.2 million in 2012, due primarily to a loss on the sale of a portion of our auction rate securities. Interest expense increased by $7.3 million from $14.4 million in 2011 to $21.7 million in 2012, due primarily to interest expense on our term loan which was entered into in August 2011. We had an income tax benefit of $10.5 million in 2012 as compared to an expense of $15.3 million in 2011. This change was due primarily to the impairment charge discussed above, which resulted in a $20.7 million reduction in our provision for income taxes in 2012. We anticipate our effective tax rate to approximate 3.9% for the remainder of 2012, primarily due to the impairment charge.

Liquidity and Capital Resources

Cash and Working Capital

At June 30, 2012 and December 31, 2011, cash held by us and available for general corporate purposes was $75.2 million and $109.2 million, respectively. Our proportionate share of cash held by joint ventures and available only for joint venture-related uses, including distributions to joint venture partners, was $110.2 million and $95.1 million at June 30, 2012 and December 31, 2011, respectively, and our restricted cash was $38.7 million and $35.4 at June 30, 2012 and December 31, 2011, respectively.

A summary of cash flows for each of the six months ended June 30, 2012 and 2011 is set forth below:

(dollars in millions)	Six Months Ended June 30, 2012	2011
Cash flows from:		
Operating activities	$ (31.8)	$ (88.5)
Investing activities	0.6	(179.6)
Financing activities	12.4	217.7
Net (decrease) increase in cash	(18.8)	(50.4)
Cash at beginning of year	204.2	471.4
Cash at end of period	$ 185.4	$ 421.0

During the six months ended June 30, 2012, we used $31.8 million in cash to fund operating activities, primarily due to the timing of collections in the Building segment and cash payments for interest on our outstanding debt and income taxes. We received $0.6 million in cash from investing activities, due primarily to proceeds from the sales of several of our auction rate securities and construction equipment offset by cash used to purchase construction equipment. We received $12.4 million in cash from financing activities, primarily due to our outstanding borrowings under our revolving facility offset by cash used for scheduled debt repayments.

At June 30, 2012, we had working capital of $591.6 million, a ratio of current assets to current liabilities of 1.45 to 1.00, and a ratio of long-term debt to equity of 0.59 to 1.00 as compared to working capital of $556.8 million, a ratio of current assets to current liabilities of 1.40 to 1.00 and a ratio of long-term debt to equity of 0.44 to 1.00 at December 31, 2011. Our stockholders' equity decreased to $1.1 billion as of June 30, 2012, as compared to $1.4 billion as of December 31, 2011. The increase in our long-term debt to equity ratio and the decrease in our stockholders' equity at June 30, 2012 primarily reflect the impact of the $376.6 million goodwill and intangible asset impairment charge ($355.9 million after tax) recorded during the period.

Long-term Investments

At June 30, 2012, we had investments in auction rate securities ("ARS") of $46.3 million, which are reflected at fair value. Our investment policy is to manage our assets to achieve our goals of preserving principal, maintaining adequate liquidity at all times, and maximizing returns subject to our investment guidelines. The current overall liquidity concerns in capital markets have affected our ability to liquidate many of our investments in auction rate securities. As such, we classified our ARS as "available-for-sale" Long-term Investments. Based on our ability to access our cash equivalent investments and our available revolving facility, we do not expect that the short-term lack of liquidity of our ARS investments will materially affect our overall liquidity position or our ability to execute our current business plan. During the six months ended June 30, 2012, we received approximately $16.6 million in proceeds from the sale of certain of our ARS holdings. For a description of our accounting for our ARS, see Note 5 of Notes to Consolidated Condensed Financial Statements.

Long-term Debt

On August 2, 2012, we entered into a First Amendment (the "First Amendment") to its Fifth Amended and Restated Credit Agreement (the "Credit Agreement") entered into on August 3, 2011 as Borrower, with Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer (the "Lender"). The First Amendment modifies the financial covenants under the Credit Agreement to allow for more favorable minimum net worth, minimum fixed charge and maximum leverage ratios for us and also to add several new financial covenants including minimum liquidity and a consolidated senior leverage ratio. The First Amendment also increases the sublimit for letters of credit from $50 million to $150 million.

Under the First Amendment, the minimum net worth covenant is modified such that the consolidated net worth cannot be less than the sum of: (i) 85% of the consolidated net worth as of March 31, 2012 less the actual goodwill and intangible assets impairment charge taken on or before September 30, 2012, not to exceed $450.0 million; (ii) an amount equal to 50% of net income for each fiscal quarter ending after June 30, 2012 (with no deduction for net losses); and (iii) an amount equal to 100% of the aggregate amount of all equity issuances after June 30, 2012 that increase stockholder's equity. The minimum fixed charge ratio covenant is modified such that the minimum fixed charge ratio shall not be less than 1.00 to 1.00 for the quarterly periods ending September 30, 2012 and December 31, 2012, 1.10 to 1.00 for the quarterly periods ending March 31, 2013 and June 30, 2013, and 1.25 to 1.00 for the quarterly periods ending September 30, 2013 and thereafter. The consolidated leverage ratio covenant is modified such that the consolidated leverage ratio shall not be greater than 4.25 to 1.00 for the quarterly periods ending September 30, 2012 through March 31, 2013, 3.75 to 1.00 for the quarterly periods ending June 30, 2013 through December 31, 2013, 3.25 to 1.00 for the quarterly periods ending March 31, 2014 through September 30, 2014 and 2.75 to 1.00 for the quarterly periods ending December 31, 2014 and thereafter. Each of these covenants is also modified to allow for an add-back of up to $450.0 million for any goodwill and intangible asset impairment charges that impact the next four quarters' ratios.

The First Amendment also modifies the applicable interest rates for amounts outstanding under the credit facility as well as the quarterly fees per annum for the unused portion of the credit facility. In conjunction with the First Amendment, we obtained a waiver of compliance with the covenants of the Credit Agreement for the period ended June 30, 2012 as we would otherwise have been out of compliance with the minimum fixed charge and maximum leverage ratios under the Credit Agreement due to our goodwill and intangible asset impairment charge as discussed above, current debt levels, and lower than expected income from operations. We expect to be in compliance with the modified financial covenants under the First Amendment.

We had $42.5 million in outstanding borrowings under our revolving facility as of June 30, 2012, and we utilized the revolving facility for outstanding letters of credit in the amount of $0.2 million. Accordingly, at June 30, 2012, we had $257.3 million available to borrow under our credit agreement. We believe that our financial position and credit arrangements are sufficient to support our current backlog and anticipated new work.

Long-term debt, excluding current maturities of $65.0 million, was $625.3 million at June 30, 2012, an increase of $12.8 million from $612.5 million at December 31, 2011 primarily due to outstanding borrowings on our revolving facility. Our long-term debt to equity ratio increased to 0.59 at June 30, 2012, from 0.44 at December 31, 2011, primarily due to our goodwill and intangible asset impairment charge recorded during the period.

There were no other material changes in our contractual obligations as of June 30, 2012.

Off-Balance Sheet Arrangements

We do not have any financial partnerships with unconsolidated entities, such as entities often referred to as structured finance, special purpose entities or variable interest entities which are often established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. Accordingly, we are not exposed to any financing, liquidity, market or credit risk that could arise if we had such relationships.

Dividends

There were no cash dividends declared or paid on our outstanding common stock during the six months ended June 30, 2012.

Forward-looking Statements

The statements contained in this Management's Discussion and Analysis of the Consolidated Condensed Financial Statements on Form 10-Q that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including without limitation, statements regarding our management's expectations, hopes, beliefs, intentions or strategies regarding the future. These forward-looking statements are based on our current expectations and beliefs concerning future developments and their potential effects on us. There can be no assurance that future developments affecting us will be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to:

- our ability to win new contracts and convert backlog into revenue;

- our ability to successfully and timely complete construction projects;
- our ability to realize the anticipated economic and business benefits of our acquisitions and our strategy to assemble and operate a Specialty Contractors business segment;
- the potential delay, suspension, termination or reduction in scope of a construction project;
- the continuing validity of the underlying assumptions and estimates of total forecasted project revenues, costs and profits and project schedules;
- the outcomes of pending or future litigation, arbitration or other dispute resolution proceedings;
- the availability of borrowed funds on terms acceptable to us;
- the ability to retain certain members of management;
- the ability to obtain surety bonds to secure our performance under certain construction contracts;
- possible labor disputes or work stoppages within the construction industry;
- changes in federal and state appropriations for infrastructure projects and the impact of changing economic conditions on federal, state and local funding for infrastructure projects;
- possible changes or developments in international or domestic political, social, economic, business, industry, market and regulatory conditions or circumstances;
- actions taken or not taken by third parties including our customers, suppliers, business partners, and competitors and legislative, regulatory, judicial and other governmental authorities and officials; and
- other risks and uncertainties discussed under the heading "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2011 filed with the Securities and Exchange Commission on March 2, 2012.

We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There has been no material change in our exposure to market risk from that described in Item 7A of our Annual Report on Form 10-K for the year ended December 31, 2011, filed with the Securities and Exchange Commission on March 2, 2012.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

As required by Rule 13a-15(b) under the Securities Exchange Act of 1934 (the "Exchange Act"), as of the end of the period covered by this report, we carried out an evaluation under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). In designing and evaluating our disclosure controls and procedures, we recognize that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management necessarily was required to apply its judgment in evaluating and implementing possible controls and procedures. The effectiveness of our disclosure controls and procedures is necessarily limited by the staff and other resources available to us and, although we have designed our disclosure controls and procedures to address the geographic diversity of our operations, this diversity inherently may limit the effectiveness of those controls and procedures. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Controls Over Financial Reporting

There was no change in our internal control over financial reporting that occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. As part of our integration of our recent acquisitions, we have substantially completed the process of incorporating our controls and procedures into the operations of these newly acquired entities.

In connection with Rule 13a-15(b) under the Securities Exchange Act of 1934, we will continue to review and assess the adequacy of our disclosure controls and procedures, including our internal control over financial reporting, and may from time to time make changes aimed at enhancing their effectiveness and to ensure that our systems evolve with our business.

Part II. - Other Information

Item 1. Legal Proceedings

From time to time in the ordinary course of business, we are subject to claims, asserted or unasserted, or named as a party to lawsuits or investigations. Litigation can be expensive and disruptive to normal business operations. Moreover, the results of legal proceedings cannot be predicted with any certainty and, in the case of more complex legal proceedings, the results are difficult to predict at all. We disclosed information about certain of our legal proceedings in Part I, Item 3 of our Annual Report on Form 10-K for the year ended December 31, 2011. For an update to those disclosures, see Note 7 of Notes to Consolidated Condensed Financial Statements.

Item 1A. Risk Factors

Information regarding risk factors affecting our business is discussed in our Annual Report on Form 10-K for the year ended December 31, 2011. There have been no material changes from those risk factors during the six months ended June 30, 2012.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

There were no repurchases by the Company of its equity securities during the six months ended June 30, 2012. The Company acquired 19,657 shares from several employees in connection with the settlement of income tax and related benefit withholding obligations arising from vesting in restricted stock units.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Section 1503 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") requires domestic mine operators to disclose violations and orders issued under the Federal Mine Safety and Health Act of 1977 (the "Mine Act") by the federal Mine Safety and Health Administration. We do not act as the owner of any mines but we may act as a mining operator as defined under the Mine Act where we may be an independent contractor performing services or construction of such mine.

Information concerning mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd-Frank Act and Item 104 Regulation S-K is included in Exhibit 95.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit 2.1	Stock Purchase Agreement dated July 1, 2011 by and among Tutor Perini Corporation, Lunda Construction Company, and each of the Shareholders of Lunda Construction Company (incorporated by reference to Exhibit 2.1 to Form 8-K filed on July 6, 2011). Exhibits, schedules (or similar attachments) to the Stock Purchase Agreement are not filed. The Company will furnish supplementally a copy of any omitted exhibit or schedule to the Securities and Exchange Commission upon request.
Exhibit 2.2	Agreement and Plan of Merger dated July 1, 2011 by and among Tutor Perini Corporation, GreenStar Services Corporation, Galaxy Merger, Inc., and GreenStar IH Rep LLC (incorporated by reference to Exhibit 2.2 to Form 8-K filed on July 6, 2011). Exhibits, schedules (or similar attachments) to the Agreement and Plan of Merger are not filed. The Company will furnish supplementally a copy of any omitted exhibit or schedule to the Securities and Exchange Commission upon request.
Exhibit 3.1	Restated Articles of Organization (incorporated by reference to Exhibit 4 to Form S-2 (File No. 33-28401) filed on April 28, 1989).
Exhibit 3.2	Articles of Amendment to the Restated Articles of Organization of Perini Corporation (incorporated by reference to Exhibit 3.2 to Form S-1 (File No. 333-111338) filed on December 19, 2003).
Exhibit 3.3	Articles of Amendment to the Restated Articles of Organization of Perini Corporation (incorporated by reference to Exhibit 3.1 to Form 8-K filed on April 12, 2000).
Exhibit 3.4	Articles of Amendment to the Restated Articles of Organization of Perini Corporation (incorporated by reference to Exhibit 3.1 to Form 8-K filed on September 11, 2008).
Exhibit 3.5	Articles of Amendment to the Restated Articles of Organization of Perini Corporation (incorporated by reference to Exhibit 3.5 to Form 10-Q filed on August 10, 2009).
Exhibit 3.6	Second Amended and Restated By-laws of Tutor Perini Corporation (incorporated by reference to Exhibit 3.1 to Form 8-K filed on November 24, 2009).
Exhibit 4.1	Shareholders Agreement, dated as of April 2, 2008, by and among Tutor Perini Corporation, Ronald N. Tutor and the shareholders of Tutor-Saliba Corporation signatory thereto (incorporated by reference to Exhibit 4.1 to Form 8-K filed on April 7, 2008).
Exhibit 4.2	Amendment No. 1 to the Shareholders Agreement, dated as of September 17, 2010, by and between Tutor Perini Corporation and Ronald N. Tutor, as shareholder representative (incorporated by reference to Exhibit 4.1 to Form 8-K filed on September 20, 2010).
Exhibit 4.3	Amendment No. 2 to the Shareholders Agreement, dated as of June 2, 2011, by and between Tutor Perini Corporation and Ronald N. Tutor, as shareholder representative (incorporated by reference to Exhibit 4.1 to Form 8-K filed on June 6, 2011).
Exhibit 4.4	Amendment No. 3 to the Shareholders Agreement, dated as of September 13, 2011, by and between Tutor Perini Corporation and Ronald N. Tutor, as shareholder representative (incorporated by reference to Exhibit 4.1 to Form 8-K filed on September 16, 2011).
Exhibit 4.5	Indenture, dated October 20, 2010, by and among Tutor Perini Corporation, certain subsidiary guarantors named therein and Wilmington Trust FSB, as trustee (incorporated by reference to Exhibit 4.1 to Form 8-K filed on October 21, 2010).
Exhibit 4.6	Registration Rights Agreement dated October 20, 2010, by and among Tutor Perini Corporation, certain subsidiary guarantors named therein and the initial purchasers named therein (incorporated by reference to Exhibit 4.2 to Form 8-K filed on October 21, 2010).

Exhibit 10.1	Employment Agreement dated as of June 1, 2012, by and between Tutor Perini Corporation and Ronald N. Tutor (incorporated by reference to Exhibit 10.1 to Form 8-K filed on June 1, 2012).
Exhibit 10.2	Fifth Amended and Restated Credit Agreement, dated as of August 3, 2011, among Tutor Perini Corporation, the subsidiaries of Tutor Perini named therein, and Bank of America, N.A., and the other lenders that are parties thereto (incorporated by reference to Exhibit 10.3 to Form 10-Q filed on August 4, 2011).
Exhibit 10.3	First Amendment to Fifth Amended and Restated Credit Agreement, dated as of August 2, 2012, among Tutor Perini Corporation, the subsidiaries of Tutor Perini named therein, and Bank of America, N.A., and the other lenders that are parties thereto – filed herewith.
Exhibit 10.4	Promissory Note, dated July 1, 2011, issued by Tutor Perini Corporation to GreenStar IH Rep LLC, in its capacity as the Interest Holder Representative on behalf of certain equity holders of GreenStar (incorporated by reference to Exhibit 10.1 to Form 8-K filed on July 6, 2011).
Exhibit 31.1	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 – filed herewith.
Exhibit 31.2	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 – filed herewith.
*Exhibit 32.1	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 – filed herewith.
*Exhibit 32.2	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 – filed herewith.
Exhibit 95	Mine Safety Disclosure – filed herewith.
**Exhibit 101	The following materials from Tutor Perini Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2012, formatted in XBRL (eXtensible Business Reporting Language): (1) Consolidated Condensed Statements of Operations for the three and six months ended June 30, 2012 and 2011, (2) Consolidated Condensed Balance Sheets as of June 30, 2012 and December 31, 2011, (3) Consolidated Condensed Statements of Comprehensive Income for the three and six months ended June 30, 2012 and 2011, (4) Consolidated Condensed Statements of Stockholders' Equity for the six months ended June 30, 2012, (5) Consolidated Condensed Statements of Cash Flows for the six months ended June 30, 2012 and 2011 and (6) Notes to Consolidated Condensed Financial Statements.

* These certifications are being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and are not being filed as part of this Quarterly Report on Form 10-Q or as a separate disclosure document.
** Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Tutor Perini Corporation
Registrant

Date: August 7, 2012

/s/Michael J. Kershaw
Michael J. Kershaw, Executive Vice President and Chief Financial Officer
Duly Authorized Officer and Principal Financial Officer

Exhibit 10.3

TUTOR PERINI CORPORATION

FIRST AMENDMENT AND WAIVER

THIS FIRST AMENDMENT AND WAIVER (this "Amendment") is entered into as of August 2, 2012 by and among **TUTOR PERINI CORPORATION**, a Massachusetts corporation f/k/a Perini Corporation ("Borrower"), with its chief executive office at 15901 Olden Street, Sylmar,

Agreement, as defined below. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Credit Agreement, as defined below.

RECITALS

WHEREAS, Borrower, Guarantors, Agent and the Lenders have previously entered into a Fifth Amended and Restated Credit Agreement dated as of August 3, 2011 (the "Credit Agreement");

WHEREAS, Borrower has requested that the Required Lenders waive any Events of Default that may result solely from the Borrower's potential failure to comply with Section 8.11(a) (Minimum Consolidated Net Worth), Section 8.11(b) (Maximum Consolidated Leverage Ratio and Section 8.11(c) (Minimum Fixed Charge Coverage Ratio) of the Credit Agreement (the "Covenant Defaults"), each as in effect immediately prior to the date of this Amendment, for the fiscal quarter ending June 30, 2012 (the "Fiscal Period"), and the Required Lenders have agreed to grant such waiver and make certain other modifications to the Credit Agreement on the terms and conditions set forth herein;

NOW THEREFORE, in consideration of the foregoing premises and the mutual benefits to be derived by Borrower, Guarantors, Agent and the Lenders from a continuing relationship under the Credit Agreement and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

A. Amendments to Credit Agreement. As of the First Amendment Effective Date, the Credit Agreement is hereby amended as follows:

1. The following defined terms appearing in Section 1.01 of the Credit Agreement are hereby amended in their entirety to read as follows:

"Applicable Rate" means, the following percentages per annum, in each case (other than as set forth in the last sentence of this paragraph) based upon the Consolidated Leverage Ratio as set forth in the most recent Compliance Certificate received by the Administrative Agent pursuant to Section 7.02(b), for the Revolver Commitment Fee, the fee for Letters of Credit, the Revolving Loans, the Swing Line Loans and the Term Loan,

Pricing Tier	Consolidated Leverage Ratio	Revolving Commitment Fee	Letters of Credit	Eurodollar Rate Loans	Base Rate Loans/Swing Line Loans
I	≤ 0.1.0	0.375%	2.00%	2.00%	1.00%
II	≤1.5 and >1.0	0.375%	2.25%	2.25%	1.25%
III	≤2.0 and >1.5	0.400%	2.50%	2.50%	1.50%
IV	≤2.5 and >2.0	0.400%	2.75%	2.75%	1.75%
V	≤3.0 and >2.5	0.500%	3.00%	3.00%	2.00%
VI	≤3.5 and >3.0	0.600%	3.50%	3.50%	2.50%
VII	>3.5	0.700%	4.00%	4.00%	3.00%

Any increase or decrease in the Applicable Rate resulting from a change in the Consolidated Leverage Ratio shall become effective as of the first Business Day immediately following the date a Compliance Certificate is delivered pursuant to Section 7.02(b); provided however, that if a Compliance Certificate is not delivered when due in accordance with Section 7.02(b), then, upon the request of the Required Lenders, the highest Pricing Tier (Tier VII) shall apply as of the first Business Day after the date on which such Compliance Certificate was required to have been delivered until such time as a Compliance Certificate is properly delivered pursuant to Section 7.02(b). The Applicable Rate in effect from the First Amendment Effective Date through the first Business Day immediately following the date a Compliance Certificate is delivered pursuant to Section 7.02(b) for the fiscal quarter ending December 31, 2012 shall be determined based upon Tier VII.

"Consolidated EBITDA" means for any period, for Borrower and its Subsidiaries on a consolidated basis, an amount equal to Consolidated Net Income for such period, plus (a) to the extent deducted in calculating Consolidated Net Income, the sum of (i) Consolidated Interest Charges for such period, (ii) the provision for federal, state, local and foreign income taxes payable for such period, (iii) the amount of depreciation and amortization expense for such period and (iv) the amount of all non-cash stock compensation incurred during such period, including any non-cash expenses arising from stock options, stock grants or other equity-incentive programs, the granting of stock appreciation rights and similar arrangements, plus (b) for the fiscal quarters ending June 30, 2012, September 30, 2012, December 31, 2012 and March 31, 2013, to the extent deducted in calculating Consolidated Net Income, the amount of any goodwill and intangible assets impairment charge not to exceed $450,000,000 in the aggregate plus , without duplicating clause (b), (c) for all fiscal quarters thereafter, the lesser of (i) to the extent deducted in calculating Consolidated Net Income, the amount of any non-cash goodwill and intangible assets impairment charge taken during such period, and (ii) Pro Forma Consolidated Net Income for such four fiscal quarter period, and minus (d) to the extent included in calculating Consolidated Net Income, all non-cash gains recognized during such period, other than the accrual of revenue in the ordinary course of business.

"Letter of Credit Sublimit" means with respect to all Letters of Credit, an amount equal to the lesser of (i) the Aggregate Revolving Commitments and (ii) the Dollar Equivalent of $150,000,000. The Letter of Credit Sublimit is part of, and not in addition to, the Aggregate Revolving Commitments.

2. Section 1.01 of the Credit Agreement is hereby further amended to add the following new defined terms:

"Borrower Liquidity" means, as of any date of determination, the sum of availability under the Revolving Credit Facility on such date plus the amount of unrestricted cash held by Borrower and its Subsidiaries on such date plus fifty percent (50%) of the unrestricted cash held by any Joint Venture as of the last day of the immediately preceding fiscal quarter.

"Consolidated Senior Leverage Ratio" means, as of any date of determination, the ratio of (a) (i) Consolidated Funded Indebtedness as of such date minus (ii) Indebtedness (x) outstanding under the Senior Notes, (y) permitted under Section 8.03(o) or (c) otherwise subordinated to Indebtedness under the Loan Documents pursuant to a written subordination agreement to (b) Consolidated EBITDA for the period of the four fiscal quarters most recently ended for which Borrower has delivered financial statements pursuant to Section 7.01(a) or (b).

"First Amendment Effective Date" means the date specified in the First Amendment dated as of August 2, 2012.

3. Section 8.02(d)(vi) of the Credit Agreement is hereby amended in its entirety to read as follows:

(vi) at least (5) Business Days prior to the consummation of any such Acquisition, Borrower shall have delivered to the Administrative Agent a Pro Forma Compliance Certificate demonstrating that, upon giving effect to such Acquisition, the Loan Parties would be in compliance with the financial covenants set forth in Section 8.11 on a Pro Forma Basis and reflecting a Consolidated Leverage Ratio on a Pro Forma Basis no greater than 2.00:1.00.

4. Section 8.06 of the Credit Agreement is hereby amended in its entirety to read as follows:

8.06 Restricted Payments.

Declare or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except that:

(a) each Subsidiary may make Restricted Payments to any Loan Party and any other Person that owns an Equity Interest in such Subsidiary, ratably according to their respective holdings of the type of Equity Interest in respect of which such Restricted Payment is being made;

(b) Borrower may make cash payments in the ordinary course of business in full or partial settlement of employee stock options or in full or partial settlement of similar incentive compensation arrangements providing employees options, warrants or other rights to acquire shares of Borrower's capital stock to employees, up to an aggregate amount not to exceed $7,500,000 during any period of twelve consecutive calendar months but only if and to the extent that, before and after giving effect to such cash payment no Default shall have occurred and be continuing; and

(c) other Restricted Payments, but only if and to the extent that, before and after giving effect thereto: (i) no Default shall have occurred and be continuing; and (ii) the Board of Directors of Borrower shall have determined that it is proper or prudent to pay amounts thereon based on a belief that Borrower's working capital is sufficient to warrant the payment thereof;

provided that, at least (5) Business Days prior to the consummation of any such Restricted Payment set forth in (c) above, Borrower shall have delivered to the Administrative Agent a Pro Forma Compliance Certificate demonstrating that, upon giving effect to such Restricted Payment, the Loan Parties would be in compliance with the financial covenants set forth in Section 8.11 on a Pro Forma Basis and reflecting a Consolidated Leverage Ratio on a Pro Forma Basis no greater than 2.00:1.00.

5. Section 8.11 of the Credit Agreement is hereby amended in its entirety to read as follows:

8.11 Financial Covenants.

(a) Consolidated Net Worth. Commencing with the fiscal quarter ending September 30, 2012 and at any time thereafter, permit Consolidated Net Worth to be less than an amount equal to the sum of (i) 85% of ((a) the Consolidated Net Worth as of March 31, 2012 less (b) the actual goodwill and intangible assets impairment charge taken on or before September 30, 2012 not to exceed $450,000,000), (ii) an amount equal to 50% of the aggregate amount of Consolidated Net Income for each fiscal quarter ending after June 30, 2012 (with no deduction for net losses), and (iii) an amount equal to 100% of the aggregate amount of all Equity Issuances after June 30, 2012 that increase consolidated shareholders' equity.

(b) Consolidated Leverage Ratio. Permit the Consolidated Leverage Ratio as of the end of any fiscal quarter of Borrower commencing with the fiscal quarter ending September 30, 2012 to be greater than the ratio set forth below for the fiscal quarters ending during the period indicated:

Quarter Ending	Maximum Ratio
September 30, 2012 – March 31, 2013	4.25:1.0
June 30, 2013 – December 31, 2013	3.75:1.0
March 31, 2014 – September 30, 2014	3.25:1.0
December 31, 2014 and thereafter	2.75:1.0

(c) Consolidated Fixed Charge Coverage Ratio. Permit the Consolidated Fixed Charge Coverage as of the end of any fiscal quarter of Borrower commencing with the fiscal quarter ending September 30, 2012 to be less than the ratio set forth below for the fiscal quarters ending during the period indicated:

Quarter Ending	Minimum Ratio
September 30, 2012 – December 31, 2012	1.00:1.0
March 31, 2013 – June 30, 2013	1.10:1.0
September 30, 2013 and thereafter	1.25:1.0

(d) Minimum Liquidity. Permit, at any time, Borrower Liquidity to be less than $100,000,000.

(e) Consolidated Senior Leverage Ratio. Permit the Consolidated Senior Leverage Ratio as of the end of any fiscal quarter of Borrower commencing with the fiscal quarter ending September 30, 2012 to be greater than the ratio set forth below for the fiscal quarters ending during the period indicated:

Quarter Ending	Minimum Ratio
September 30, 2012 – June 30, 2013	2.75:1.0
September 30, 2013 – June 30, 2014	2.50:1.0
September 30, 2014 and thereafter	2.00:1.0

B. Representations and Warranties. Each Loan Party represents and warrants to Agent and the Lenders that: (a) such Loan Party has the full power and authority to execute, deliver and perform its respective obligations under the Credit Agreement, as amended by this Amendment, (b) the execution and delivery of this Amendment has been duly authorized by all necessary action of the Board of Directors (or equivalent) of such Loan Party; (c) after giving effect to this Amendment, the representations and warranties contained or referred to in Article VI of the Credit Agreement are true and accurate in all material respects as if such representations and warranties were being made as of the First Amendment Effective Date except to the extent that such representations and warranties specifically refer to an earlier date; and (d) after giving effect to the amendments to the Credit Agreement set forth herein, no Default or Event of Default has occurred and is continuing.

C. Waiver. In reliance upon the representations of the Borrower to the Agent and the Lenders that no Default or Event of Default exists under the Credit Agreement other than the Covenant Defaults, the Required Lenders hereby waive the Covenant Defaults for the Fiscal Period. This waiver is limited to the Covenant Defaults for the Fiscal Period only and is not, nor shall it be construed as, a waiver of any other Default or Event of Default under the Credit Agreement, now existing or hereafter occurring, nor shall anything herein or the Lenders' actions hereunder be construed so as to imply that the Required Lenders have agreed, or are obligated, to grant any future waivers under the Credit Agreement. Except as expressly provided herein, nothing in this Amendment shall be construed to be an amendment of any provision of the Credit Agreement, and all of the provisions of the Credit Agreement not expressly amended hereby shall remain in full force.

D. Other.

1. The provisions set forth in Section A of this Amendment shall be effective as of the date (the "First Amendment Effective Date") the Agent receives:

(i) this Amendment duly executed and delivered by Agent, the Required Lenders, and the Loan Parties;

(ii) certification from the secretary or assistant secretary of each Loan Party that the resolutions and Organization Documents such Loan Party previously delivered in connection with the Credit Agreement remain true and correct as of the First Amendment Effective Date, or attaching a copy of any amended Organization Document as in effect on the First Amendment Effective Date, together with good standing certificates for each of the Loan Parties (unless the Administrative Agent has waived the requirement for delivery of or extended the required delivery date for any good standing certificates);

(iii) all documentation and other information required by bank regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including without limitation the USA Patriot Act;

(iv) such other financial information as may be reasonably requested by Arranger or the Agent; and

(v) all accrued fees, costs and expenses (including, without limitation, the reasonable costs and expenses of Agent's counsel) incurred by Arranger, Agent and Lenders in connection with this Amendment and invoiced to Borrower.

2. This Amendment is executed as an instrument under seal and shall be governed by and construed in accordance with the laws of The Commonwealth of Massachusetts without regard to its conflicts of law rules. All parts of the Credit Agreement and any other Loan Document not affected by this Amendment are hereby ratified and affirmed in all respects, provided that if any provision of the Credit Agreement shall conflict or be inconsistent with this Amendment, the terms of this Amendment shall supersede and prevail. Upon the execution of this Amendment, all references to the Credit Agreement in that document, or in any other Loan Document, shall mean the Credit Agreement as amended by this Amendment. Except as expressly provided in this Amendment, the execution and delivery of this Amendment does not and will not amend, modify or supplement any provision of, or constitute a consent to or a waiver of any noncompliance with the provisions of the Credit Agreement, and, except as specifically provided in this Amendment, the Credit Agreement shall remain in full force and effect. This Amendment may be executed in one or more counterparts with the same effect as if the signatures hereto and thereto were upon the same instrument.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, each of Borrower, Guarantors, Agent and the Lenders in accordance with Section 11.01 of the Credit Agreement, has caused this Amendment to be executed and delivered by their respective duly authorized officers as of the date first written above.

BORROWER:

WITNESS:

/s/ Lisa Melonas

Lisa Melonas
Print Name

TUTOR PERINI CORPORATION, f/k/a Perini Corporation, a Massachusetts corporation

By: /s/ William B. Sparks

Name: William B. Sparks

Title: Executive Vice President, Treasurer, Corporate Secretary and Clerk

GUARANTORS:

WITNESS:

/s/ Lisa Melonas

Lisa Melonas
Print Name

AIRTECH SYSTEMS INC., a Delaware corporation

By: /s/ William B. Sparks

Name: William B. Sparks

Title: Secretary and Treasurer

WITNESS:

/s/ Lisa Melonas

Lisa Melonas
Print Name

ANDERSON COMPANIES, INC., a Delaware corporation

By: /s/ William B. Sparks

Name: William B. Sparks

Title: Secretary and Treasurer

WITNESS:

/s/ Lisa Melonas

Lisa Melonas
Print Name

BECHO, INC., a Utah corporation

By: /s/ William B. Sparks

Name: William B. Sparks

Title: Secretary and Treasurer

[Signature Page to Tutor Perini First Amendment and Waiver]

WITNESS:	BLACK CONSTRUCTION INVESTMENTS, INC., a Nevada corporation
/s/ Lisa Melonas	By: /s/ William B. Sparks
Lisa Melonas *Print Name*	Name: William B. Sparks
	Title: Vice President, Treasurer and Secretary
WITNESS:	**BOW EQUIPMENT LEASING COMPANY, INC.,** a New Hampshire corporation
/s/ Lisa Melonas	By: /s/ William B. Sparks
Lisa Melonas *Print Name*	Name: William B. Sparks
	Title: Vice President, Treasurer, Secretary and Clerk
WITNESS:	**BRICE BUILDING COMPANY, LLC,** a Delaware limited liability company
/s/ Lisa Melonas	By: /s/ William B. Sparks
Lisa Melonas *Print Name*	Name: William B. Sparks
	Title: Secretary and Treasurer
WITNESS:	**CHERRY HILL CONSTRUCTION, INC.,** a Maryland corporation
/s/ Lisa Melonas	By: /s/ William B. Sparks
Lisa Melonas *Print Name*	Name: William B. Sparks
	Title: Treasurer, Secretary and Clerk

[Signature Page to Tutor Perini First Amendment and Waiver]

WITNESS:	**DANIEL J. KEATING CONSTRUCTION COMPANY, LLC,** a Delaware limited liability company
/s/ Lisa Melonas	By: /s/ William B. Sparks
Lisa Melonas *Print Name*	Name: William B. Sparks
	Title: Treasurer, Secretary and Clerk

WITNESS:	**DESERT MECHANICAL, INC.,** f/k/a Desert Plumbing & Heating Co., Inc., a Nevada corporation
/s/ Lisa Melonas	By: /s/ William B. Sparks
Lisa Melonas *Print Name*	Name: William B. Sparks
	Title: Vice President, Secretary and Treasurer

WITNESS:	**E.E. BLACK, LIMITED,** a Hawaii corporation
/s/ Lisa Melonas	By: /s/ William B. Sparks
Lisa Melonas *Print Name*	Name: William B. Sparks
	Title: Vice President, Treasurer and Secretary

WITNESS:	**FISK ACQUISITION, INC.,** a Delaware corporation
/s/ Lisa Melonas	By: /s/ William B. Sparks
Lisa Melonas *Print Name*	Name: William B. Sparks
	Title: Executive Vice President, Treasurer and Secretary

[Signature Page to Tutor Perini First Amendment and Waiver]

WITNESS:	FISK ELECTRIC COMPANY, a Texas corporation
/s/ Lisa Melonas	By: /s/ William B. Sparks
Lisa Melonas *Print Name*	Name: William B. Sparks
	Title: Senior Vice President, Treasurer and Secretary

WITNESS:	FISK INTERNATIONAL, LTD., a Delaware corporation
/s/ Lisa Melonas	By: /s/ William B. Sparks
Lisa Melonas *Print Name*	Name: William B. Sparks
	Title: Executive Vice President, Treasurer and Secretary

WITNESS:	FIVE STAR ELECTRIC CORP, a New York corporation
/s/ Lisa Melonas	By: /s/ William B. Sparks
Lisa Meloncas *Print Name*	Name: William B. Sparks
	Title: Secretary and Treasurer

WITNESS:	FK MANAGEMENT SERVICES, INC., an Indiana corporation
/s/ Debra J. Riger	By: /s/ Charles T. McGlothlen
Debra J. Riger *Print Name*	Name: Charles T. McGlothlen
	Title: Secretary, Treasurer and Chief Financial Officer

WITNESS:	FKC, LLC, an Indiana limited liability company
/s/ Debra J. Riger	By: /s/ Charles T. McGlothlen
Debra J. Riger *Print Name*	Name: Charles T. McGlothlen
	Title: Secretary, Treasurer and Chief Financial Officer

[Signature Page to Tutor Perini First Amendment and Waiver]

WITNESS:

/s/ Lisa Melonas

Lisa Melonas
Print Name

FRONTIER-KEMPER CONSTRUCTORS, INC., an Indiana corporation

By: /s/ William B. Sparks

Name: William B. Sparks

Title: Vice President and Secretary-Treasurer

WITNESS:

/s/ Lisa Melonas

Lisa Melonas
Print Name

G.W. MURPHY CONSTRUCTION COMPANY, INC, a Hawaii corporation

By: /s/ William B. Sparks

Name: William B. Sparks

Title: Vice President, Secretary and Treasurer

WITNESS:

/s/ Lisa Melonas

Lisa Melonas
Print Name

GREENSTAR SERVICES CORPORATION, a Delaware corporatio

By: /s/ William B. Sparks

Name: William B. Sparks

Title: Secretary and Treasurer

WITNESS:

/s/ Lisa Melonas

Lisa Melonas
Print Name

HARRELL CONTRACTING GROUP, LLC, a Mississippi limited liability company

By: /s/ William B. Sparks

Name: William B. Sparks

Title: Secretary and Treasurer

[Signature Page to Tutor Perini First Amendment and Waiver]

WITNESS:

/s/ Lisa Melonas

Lisa Melonas
Print Name

INTERNATIONAL CONSTRUCTION MANAGEMENT SERVICES, INC., a Delaware corporation

By: /s/ William B. Sparks

Name: William B. Sparks

Title: Treasurer, Secretary and Clerk

WITNESS:

/s/ Lisa Melonas

Lisa Melonas
Print Name

JAMES A. CUMMINGS, INC., a Florida corporation

By: /s/ William B. Sparks

Name: William B. Sparks

Title: Treasurer, Secretary and Clerk

WITNESS:

/s/ Lisa Melonas

Lisa Melonas
Print Name

JOHNSON WESTERN CONSTRUCTORS, INC., a California corporation

By: /s/ William B. Sparks

Name: William B. Sparks

Title: Vice President, Secretary and Treasurer

WITNESS:

/s/ Lisa Melonas

Lisa Melonas
Print Name

JOHNSON WESTERN GUNITE COMPANY, a California corporation

By: /s/ William B. Sparks

Name: William B. Sparks

Title: Vice President, Secretary and Treasurer

[Signature Page to Tutor Perini First Amendment and Waiver]

WITNESS:	**KEATING PROJECT DEVELOPMENT, INC.**, a Pennsylvania corporation
/s/ Lisa Melonas	By: /s/ William B. Sparks
Lisa Melonas *Print Name*	Name: William B. Sparks
	Title: Treasurer, Secretary and Clerk
WITNESS:	**LUNDA CONSTRUCTION COMPANY**, a Wisconsin
/s/ Lisa Melonas	By: /s/ William B. Sparks
Lisa Melonas *Print Name*	Name: William B. Sparks
	Title: Secretary and Treasurer
WITNESS:	**NAGELBUSH MECHANICAL, INC., a Florida corporation**
/s/ Lisa Melonas	By: /s/ William B. Sparks
Lisa Melonas *Print Name*	Name: William B. Sparks
	Title: Secretary and Treasurer
WITNESS:	**PARAMOUNT DEVELOPMENT ASSOCIATES, INC.**, a Massachusetts corporation
/s/ Lisa Melonas	By: /s/ William B. Sparks
Lisa Melonas *Print Name*	Name: William B. Sparks
	Title: Treasurer, Secretary and Clerk

[Signature Page to Tutor Perini First Amendment and Waiver]

WITNESS:

/s/ Lisa Melonas

Lisa Melonas
Print Name

PERCON CONSTRUCTORS, INC., a Delaware corporation

By: /s/ William B. Sparks

Name: William B. Sparks

Title: Treasurer, Secretary and Clerk

WITNESS:

/s/ Lisa Melonas

Lisa Melonas
Print Name

PERINI ENVIRONMENTAL SERVICES, INC., a Delaware corporation

By: /s/ William B. Sparks

Name: William B. Sparks

Title: Treasurer, Secretary and Clerk

WITNESS:

/s/ Lisa Melonas

Lisa Melonas
Print Name

PERINI LAND AND DEVELOPMENT COMPANY, INC., a Massachusetts corporation

By: /s/ William B. Sparks

Name: William B. Sparks

Title: Treasurer, Secretary and Clerk

WITNESS:

/s/ Lisa Melonas

Lisa Melonas
Print Name

PERINI MANAGEMENT SERVICES, INC., a Massachusetts corporation

By: /s/ William B. Sparks

Name: William B. Sparks

Title: Treasurer, Secretary and Clerk

[Signature Page to Tutor Perini First Amendment and Waiver]

WITNESS:	PERLAND CONSTRUCTION, INC., a West Virginia corporation
/s/ Lisa Melonas	By: /s/ William B. Sparks
Lisa Melonas *Print Name*	Name: William B. Sparks
	Title: Treasurer, Secretary and Clerk

WITNESS:	R.E. DAILEY AND CO., a Michigan corporation
/s/ Lisa Melonas	By: /s/ William B. Sparks
Lisa Melonas *Print Name*	Name: William B. Sparks
	Title: Treasurer, Secretary and Clerk

WITNESS:	RA PROPERTIES, LLC, a Mississippi limited liability company
/s/ Lisa Melonas	By: /s/ William B. Sparks
Lisa Melonas *Print Name*	Name: William B. Sparks
	Title: Secretary and Treasurer

WITNESS:	ROY ANDERSON CORP, a Mississippi corporation
/s/ Lisa Melonas	By: /s/ William B. Sparks
Lisa Melonas *Print Name*	Name: William B. Sparks
	Title: Secretary and Treasurer

[Signature Page to Tutor Perini First Amendment and Waiver]

WITNESS:

/s/ Lisa Melonas

Lisa Melonas
Print Name

RUDOLPH AND SLETTEN, INC., a California corporation

By: /s/ William B. Sparks

Name: William B. Sparks

Title: Treasurer, Secretary and Clerk

WITNESS:

/s/ Lisa Melonas

Lisa Melonas
Print Name

SUPERIOR GUNITE, a California corporation

By: /s/ William B. Sparks

Name: William B. Sparks

Title: Vice President, Secretary and Treasurer

WITNESS:

/s/ Lisa Melonas

Lisa Melonas
Print Name

SUPERIOR GUNITE LLC, a Delaware limited liability company

By: /s/ William B. Sparks

Name: William B. Sparks

Title: Vice President, Secretary and Treasurer

WITNESS:

/s/ Lisa Melonas

Lisa Melonas
Print Name

TPC AGGREGATES, LLC, a Nevada limited liability company

By: /s/ William B. Sparks

Name: William B. Sparks

Title: Vice President, Chief Financial Officer and Assistant Secretary

[Signature Page to Tutor Perini First Amendment and Waiver]

WITNESS:	TUTOR HOLDINGS, LLC, a Delaware limited liability company
/s/ Lisa Melonas	By: /s/ William B. Sparks
Lisa Melonas *Print Name*	Name: William B. Sparks
	Title: Vice President, Secretary and Treasurer

WITNESS:	TUTOR MICRONESIA CONSTRUCTION, LLC, a Delaware limited liability company
/s/ Lisa Melonas	By: /s/ William B. Sparks
Lisa Melonas *Print Name*	Name: William B. Sparks
	Title: Vice President, Secretary and Treasurer

WITNESS:	TUTOR PACIFIC CONSTRUCTION, LLC, a Delaware limited liability company
/s/ Lisa Melonas	By: /s/ William B. Sparks
Lisa Melonas *Print Name*	Name: William B. Sparks
	Title: Vice President, Secretary and Treasurer

WITNESS:	TUTOR PACIFIC, INC., a Hawaii corporation
/s/ Lisa Melonas	By: /s/ William B. Sparks
Lisa Melonas *Print Name*	Name: William B. Sparks
	Title: Vice President, Secretary and Treasurer

[Signature Page to Tutor Perini First Amendment and Waiver]

WITNESS:	**TUTOR PERINI BUILDING COMPANY, INC.**, an Arizona corporation
/s/ Lisa Melonas	By: /s/ William B. Sparks
Lisa Melonas *Print Name*	Name: William B. Sparks
	Title: Treasurer, Secretary and Clerk
WITNESS:	**TUTOR PERINI MERGER COMPANY,** a Delaware corporation
/s/ Lisa Melonas	By: /s/ William B. Sparks
Lisa Melonas *Print Name*	Name: William B. Sparks
	Title: Executive Vice President, Secretary and Treasurer
WITNESS:	**TUTOR-SALIBA CORPORATION**, a California corporation
/s/ Lisa Melonas	By: /s/ William B. Sparks
Lisa Melonas *Print Name*	Name: William B. Sparks
	Title: Senior Vice President, Chief Financial Officer, Secretary and Treasurer
WITNESS:	**TUTOR-SALIBA LLC**, a California limited liability company
/s/ Lisa Melonas	By: /s/ William B. Sparks
Lisa Melonas *Print Name*	Name: William B. Sparks
	Title: Senior Vice President, Chief Financial Officer, Secretary and Treasurer

[Signature Page to Tutor Perini First Amendment and Waiver]

WITNESS:

/s/ Lisa Melonas

Lisa Melonas
Print Name

VALLEY CONCRETE & FRAMING, INC., a California corporation

By: /s/ William B. Sparks

Name: William B. Sparks

Title: Vice President, Secretary and Treasurer

WITNESS:

/s/ Lisa Melonas

Lisa Melonas
Print Name

WDF INC., a New York corporation

By: /s/ William B. Sparks

Name: William B. Sparks

Title: Secretary and Treasurer

[Signature Page to Tutor Perini First Amendment and Waiver]

WITNESS:	WDF/NAGELBUSH HOLDING CORP., a Delaware corporation
/s/ Lisa Melonas	By: /s/ William B. Sparks
Lisa Melonas *Print Name*	Name: William B. Sparks
	Title: Secretary and Treasurer

[Signature Page to Tutor Perini First Amendment and Waiver]

ADMINISTRATIVE AGENT:

BANK OF AMERICA, N.A., as Administrative Agent

By: /s/ Tiffany Shin

Name: Tiffany Shin

Title: Assistant Vice President

BANK OF AMERICA, N.A., as a Lender, Swing Line Lender and LC Issuer

By: /s/ Adam Feit

Name: Adam Feit

Title: Senior Vice President

[Signature Page to Tutor Perini First Amendment and Waiver]

DEUTSCHE BANK AG NEW YORK

By: /s/ Mary Kay Coyle

Name: Mary Kay Coyle

Title: Managing Director

By: /s/ Omayra Laucella

Name: Omayra Laucella

Title: Director

[Signature Page to Tutor Perini First Amendment and Waiver]

SOVEREIGN BANK

By: /s/ Gregory M. Batsevitsky

Name: Gregory M. Batsevitsky

Title: Senior Vice President

[Signature Page to Tutor Perini First Amendment and Waiver]

COMERICA BANK

By: /s/ Eric Choudhury

Name: Eric Choudhury

Title: Vice President

[Signature Page to Tutor Perini First Amendment and Waiver]

UNION BANK, N.A.

By: /s/ Derek X. Jasso

Name: Derek X. Jasso

Title: Vice President

[Signature Page to Tutor Perini First Amendment and Waiver]

COMPASS BANK

By: /s/ Erik Velastegvi

Name: Erik Velastegvi

Title: SVP

[Signature Page to Tutor Perini First Amendment and Waiver]

BMO HARRIS FINANCING INC.

By: /s/ John Armstrong

Name: John Armstrong

Title: Director

[Signature Page to Tutor Perini First Amendment and Waiver]

GOLDMAN SACHS BANK USA

By: /s/ Michelle Lalzoni

Name: Michelle Lalzoni

Title: Authorized Signatory

[Signature Page to Tutor Perini First Amendment and Waiver]

U.S. BANK NATIONAL ASSOCIATION

By: /s/ Conan Schleicher

Name: Conan Schleicher

Title: V.P.

[Signature Page to Tutor Perini First Amendment and Waiver]

HSBC BANK USA, NATIONAL ASSOCIATION

By: /s/ Steven F. Larsen

Name: Steven F. Larsen

Title: Vice President

[Signature Page to Tutor Perini First Amendment and Waiver]

EAST WEST BANK

By: /s/ Abe Kochi

Name: Abe Kochi

Title: FVP

[Signature Page to Tutor Perini First Amendment and Waiver]

FIRST HAWAIIAN BANK

By: /s/ Susan Takeda

Name: Susan Takeda

Title: Vice President

[Signature Page to Tutor Perini First Amendment and Waiver]

MANUFACTURERS BANK

By: /s/ Dirk Price

Name: Dirk Price

Title: Vice President

[Signature Page to Tutor Perini First Amendment and Waiver]

KINGSLAND II LTD.

By: /s/ Katherine Kim

Name: Katherine Kim

Title: Authorized Signatory

[Signature Page to Tutor Perini First Amendment and Waiver]

KINGSLAND III LTD.

By: /s/ Katherine Kim

Name: Katherine Kim

Title: Authorized Signatory

[Signature Page to Tutor Perini First Amendment and Waiver]

KINGSLAND IV LTD.

By: /s/ Katherine Kim

Name: Katherine Kim

Title: Authorized Signatory

[Signature Page to Tutor Perini First Amendment and Waiver]

KINGSLAND V LTD.

By: /s/ Katherine Kim

Name: Katherine Kim

Title: Authorized Signatory

[Signature Page to Tutor Perini First Amendment and Waiver]

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Ronald N. Tutor, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Tutor Perini Corporation (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2012

/s/Ronald N. Tutor
Ronald N. Tutor
Chairman and Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael J. Kershaw, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Tutor Perini Corporation (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2012

/s/Michael J. Kershaw
Michael J. Kershaw
Executive Vice President and Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Tutor Perini Corporation (the "Company") on Form 10-Q for the period ending June 30, 2012 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ronald N. Tutor, Chairman and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 7, 2012

/s/Ronald N. Tutor
Ronald N. Tutor
Chairman and Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to Tutor Perini Corporation and will be retained by Tutor Perini Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Tutor Perini Corporation (the "Company") on Form 10-Q for the period ending June 30, 2012 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael J. Kershaw, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 7, 2012

/s/Michael J. Kershaw
Michael J. Kershaw
Executive Vice President and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Tutor Perini Corporation and will be retained by Tutor Perini Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 95

MINE SAFETY DISCLOSURE

Section 1503 of the Dodd-Frank Wall Street Reform and Consumer Protection Act requires domestic mine operators to disclose violations and orders issued under the Federal Mine Safety and Health Act of 1977 (the "Mine Act") by the federal Mine Safety and Health Administration ("MSHA"). We do not act as the owner of any mines but we may act as a mining operator as defined under the Mine Act where we may be an independent contractor performing services or construction of such mine. Due to timing and other factors, the data may not agree with the mine data retrieval system maintained by MSHA.

The following table provides information for the 2nd Quarter 2012.

Mine/MSHA Identification # (1)	Mine Act §104 Violations (2)	Mine Act §104(b) Orders (3)	Mine Act §104(d) Citations and Orders (4)	Mine Act §110(b)(2) Violations (5)	Mine Act §107(a) Orders (6)	Proposed Assessments from MSHA (In dollars ($))	Mining Related Fatalities	Mine Act §104(e) Notice (yes/no) (7)	Pending Legal Action before Federal Mine Safety and Health Review Commission (yes/no)
2Q2012									
Barrick Cortez	0	0	0	0	0	$ -	0	No	No
Gibson South	15	0	5	0	0	$ 143,184	1*	No	No
Century Slope	0	0	0	0	0	$ -	0	No	No
Greenbrier	0	0	0	0	0	$ -	0	No	No
White Oak	1	0	0	0	0	Pending	0	No	No
Oaktown Fuels	0	0	0	0	0	$ -	0	No	No
Bowie Resources	7	0	0	0	0	Pending	0	No	No
Drummond Coal	0	0	0	0	0	$ -	0	No	No
Williamson Energy	0	0	0	0	0	$ -	0	No	No

(1) United States mines.

(2) The total number of violations received from MSHA under §104 of the Mine Act, which includes citations for health or safety standards that could significantly and substantially contribute to a serious injury if left unabated.

(3) The total number of orders issued by MSHA under §104(b) of the Mine Act, which represents a failure to abate a citation under §104(a) within the period of time prescribed by MSHA.

(4) The total number of citations and orders issued by MSHA under §104(d) of the Mine Act for unwarrantable failure to comply with mandatory health or safety standards.

(5) The total number of flagrant violations issued by MSHA under §110(b)(2) of the Mine Act.

(6) The total number of orders issued by MSHA under §107(a) of the Mine Act for situations in which MSHA determined an imminent danger existed.

(7) A written notice from the MSHA regarding a pattern of violations, or a potential to have such pattern under §104(e) of the Mine Act.

* The fatality did not occur on the job site, and no safety violations were issued. The employee was injured on site, but passed away later while recuperating at home. MSHA stated there was no negligence on the part of the Company. However, MSHA charged the fatality to the project, based on the local coroner's preliminary finding that death was linked to the work injury.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2012

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ______________ to ______________

Commission File Number: 1-6314

Tutor Perini Corporation

(Exact name of registrant as specified in its charter)

MASSACHUSETTS	[redacted]
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

15901 OLDEN STREET, SYLMAR, CALIFORNIA 91342-1093
(Address of principal executive offices)
(Zip code)

(818) 362-8391
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐ Accelerated filer ☒ Non-Accelerated filer ☐ Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares of common stock, $1.00 par value per share, of the registrant outstanding at October 29, 2012 was 47,556,056.

TUTOR PERINI CORPORATION AND SUBSIDIARIES

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Part I. – Financial Information

Item 1. Financial Statements

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS (UNAUDITED)
SEPTEMBER 30, 2012 AND DECEMBER 31, 2011
(In Thousands, except Share Data)

	September 30, 2012	December 31, 2011
ASSETS		
Cash and Cash Equivalents	$ 180,777	$ 204,240
Restricted Cash	38,700	35,437
Accounts Receivable, including retainage	1,249,787	1,275,031
Costs and Estimated Earnings in Excess of Billings	411,662	358,398
Deferred Income Taxes	3,246	-
Other Current Assets	76,021	76,928
Total Current Assets	1,960,193	1,950,034
Long-term Investments	46,283	62,311
Property and Equipment (net of Accumulated Depreciation of $135,532 in 2012 and $104,541 in 2011)	488,114	491,377
Other Assets:		
Goodwill	570,646	892,602
Intangible Assets, net	130,092	197,999
Other	40,130	18,804
	$ 3,235,458	$ 3,613,127
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Maturities of Long-term Debt	$ 63,832	$ 59,959
Accounts Payable, including retainage	750,697	785,725
Billings in Excess of Costs and Estimated Earnings	345,428	384,282
Accrued Expenses and Other Current Liabilities	161,495	163,268
Total Current Liabilities	1,321,452	1,393,234
Long-term Debt, less current maturities	636,932	612,548
Deferred Income Taxes	59,780	97,921
Other Long-term Liabilities	116,557	109,597
Contingencies and Commitments		
Stockholders' Equity:		
Common Stock - $1 par value: 75,000,000 shares authorized; Shares issued and outstanding: 47,556,056 and 47,329,275, respectively	47,556	47,329
Additional Paid-in Capital	1,000,557	993,434
Retained Earnings	95,644	402,679
Accumulated Other Comprehensive Loss	(43,020)	(43,615)
Total Stockholders' Equity	1,100,737	1,399,827
	$ 3,235,458	$ 3,613,127

The accompanying notes are an integral part of these consolidated condensed financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS (UNAUDITED)
(In Thousands, Except Per Share Data)

	THREE MONTHS ENDED SEPTEMBER 30, 2012	THREE MONTHS ENDED SEPTEMBER 30, 2011	NINE MONTHS ENDED SEPTEMBER 30, 2012	NINE MONTHS ENDED SEPTEMBER 30, 2011
Revenues	$ 1,099,393	$ 1,166,410	$ 2,997,273	$ 2,601,557
Cost of Operations	983,930	1,046,055	2,708,590	2,331,529
Gross Profit	115,463	120,355	288,683	270,028
General and Administrative Expenses	60,787	58,319	194,644	152,444
Goodwill and Intangible Asset Impairment	-	-	376,574	-
INCOME (LOSS) FROM CONSTRUCTION OPERATIONS	**54,676**	**62,036**	**(282,535)**	**117,584**
Other Income (Expense), net	545	5,863	(681)	6,648
Interest Expense	(11,039)	(11,566)	(32,724)	(25,973)
Income (Loss) before Income Taxes	44,182	56,333	(315,940)	98,259
(Provision) Benefit for Income Taxes	(1,591)	(20,856)	8,905	(36,159)
NET INCOME (LOSS)	**$ 42,591**	**$ 35,477**	**$ (307,035)**	**$ 62,100**
BASIC EARNINGS (LOSS) PER COMMON SHARE	$ 0.90	$ 0.75	$ (6.47)	$ 1.32
DILUTED EARNINGS (LOSS) PER COMMON SHARE	$ 0.88	$ 0.74	$ (6.47)	$ 1.30
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:				
BASIC	47,556	47,291	47,440	47,192
Effect of Dilutive Stock Options and Restricted Stock Units Outstanding	661	473	-	670
DILUTED	48,217	47,764	47,440	47,862

The accompanying notes are an integral part of these consolidated condensed financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(UNAUDITED)
(In Thousands)

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2012	2011	2012	2011
Net Income (Loss)	$ 42,591	$ 35,477	$ (307,035)	$ 62,100
Other Comprehensive Income (Loss):				
Tax adjustment on minimum pension liability	(841)	-	(841)	-
Foreign currency translation (net of tax of $248, $0, $285, and $0, respectively)	362	(1,279)	419	(1,190)
Change in fair value of investments (net of tax of $0, $0, $158, and $0, respectively)	1	595	208	595
Change in fair value of interest rate swap (net of tax of $121, $0, $756, and $0, respectively)	(177)	-	(1,196)	-
Realized loss on sale of investments recorded in Net Income (Loss) (net of tax of $0, $0, $1,219 and $0, respectively)	-	-	2,005	-
Total Other Comprehensive Income (Loss)	(655)	(684)	595	(595)
Total Comprehensive Income (Loss)	$ 41,936	$ 34,793	$ (306,440)	$ 61,505

The accompanying notes are an integral part of these consolidated condensed financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENT OF STOCKHOLDERS' EQUITY (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2012
(In Thousands)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
Balance - December 31, 2011	$ 47,329	$ 993,434	$ 402,679	$ (43,615)	$ 1,399,827
Net Loss	-	-	(307,035)	-	(307,035)
Other comprehensive income:					
Tax adjustment on minimum pension liability				(841)	(841)
Foreign currency translation (net of tax of $285)	-	-	-	419	419
Change in fair value of investments (net of tax of $158)	-	-	-	208	208
Change in fair value of interest rate swap (net of tax of $756)	-	-	-	(1,196)	(1,196)
Realized loss on sale of investments recorded in Net Loss (net of tax of $1,219)	-	-	-	2,005	2,005
Total comprehensive loss					(306,440)
Tax effect of stock-based compensation	-	(195)	-	-	(195)
Stock-based compensation expense	-	7,424	-	-	7,424
Issuance of common stock, net	227	(106)	-	-	121
Balance – September 30, 2012	$ 47,556	$ 1,000,557	$ 95,644	$ (43,020)	$ 1,100,737

The accompanying notes are an integral part of these consolidated condensed financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS (UNAUDITED)
(In Thousands)

	NINE MONTHS ENDED SEPTEMBER 30, 2012	NINE MONTHS ENDED SEPTEMBER 30, 2011
Cash Flows from Operating Activities:		
Net (Loss) Income	$ (307,035)	$ 62,100
Adjustments to reconcile Net (Loss) Income to net cash from operating activities:		
Goodwill and intangible asset impairment	376,574	-
Depreciation and amortization	46,676	29,594
Stock-based compensation expense	7,424	6,820
Adjustment of interest rate swap to fair value	264	-
Excess income tax benefit from stock-based compensation	-	(18)
Deferred income taxes	(42,008)	412
Loss on sale of investments	2,699	-
Loss (gain) on sale of equipment	509	(896)
Gain on bargain purchase	-	(4,000)
Other long-term liabilities	(8,399)	(7,919)
Other non-cash items	(446)	(3,251)
Changes in other components of working capital	(104,135)	(207,854)
NET CASH USED IN OPERATING ACTIVITIES	(27,877)	(125,012)
Cash Flows from Investing Activities:		
Acquisitions, net of cash balance acquired	-	(337,873)
Acquisition of property and equipment	(33,737)	(39,694)
Proceeds from sale of property and equipment	11,750	6,526
Investment in available-for-sale securities	(535)	-
Proceeds from sale of available-for-sale securities	16,553	7,388
Change in restricted cash	(3,263)	(7,196)
NET CASH USED IN INVESTING ACTIVITIES	(9,232)	(370,849)
Cash Flows from Financing Activities:		
Proceeds from debt	511,579	567,782
Repayment of debt	(485,543)	(263,059)
Business acquisition related payments	(10,090)	(1,904)
Excess income tax benefit from stock-based compensation	-	18
Issuance of common stock and effect of cashless exercise	(307)	(44)
Debt issuance costs	(1,993)	(4,989)
NET CASH PROVIDED BY FINANCING ACTIVITIES	13,646	297,804
Net Decrease in Cash and Cash Equivalents	(23,463)	(198,057)
Cash and Cash Equivalents at Beginning of Year	204,240	471,378
Cash and Cash Equivalents at End of Period	$ 180,777	$ 273,321
Supplemental Disclosure of Cash Paid During the Period For:		
Interest	$ 24,005	$ 17,714
Income taxes	$ 17,647	$ 40,225
Supplemental Disclosure of Non-cash Transactions:		
Property and equipment acquired through financing arrangements	$ 2,050	$ 1,604
Grant date fair value of common stock issued for services	$ 5,075	$ 5,061

The accompanying notes are an integral part of these consolidated condensed financial statements.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

(1) Basis of Presentation

The unaudited consolidated condensed financial statements presented herein include the accounts of Tutor Perini Corporation and its wholly owned subsidiaries ("Tutor Perini" or the "Company"). The Company's interests in construction joint ventures are accounted for using the proportionate consolidation method. These unaudited consolidated condensed financial statements have been prepared in accordance with the instructions to Form 10-Q and do not include all of the information and note disclosures required by accounting principles generally accepted in the United States of America. These statements should be read in conjunction with the financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2011. In the opinion of management, the accompanying unaudited consolidated condensed financial statements include all adjustments, consisting only of normal recurring adjustments, necessary to present fairly the Company's financial position as of September 30, 2012 and December 31, 2011, results of operations and comprehensive income for the three and nine months ended September 30, 2012 and 2011, and cash flows for the nine months ended September 30, 2012 and 2011. The results of operations for the three and nine months ended September 30, 2012 are not indicative of the results that may be expected for the year ending December 31, 2012 because, among other reasons, such results can vary depending on the timing of progress achieved and changes in estimated profitability of projects being reported.

Prior to the quarterly reporting period ended June 30, 2012, the Company had presented payments related to the deferred purchase price obligation of previous acquisitions within cash flows used by investing activities in the Consolidated Condensed Statement of Cash Flows. The Company corrected this presentation to appropriately reflect the cash paid to settle the liability recognized at fair value at the conclusion of the measurement period within cash flows used by financing activities, and the remaining cash paid (e.g., changes in fair value of the liability after the conclusion of the measurement period), was reclassified within cash flows used by operating activities. For the nine months ended September 30, 2012 and 2011 this correction resulted in a decrease in cash flows provided by operating activities of $0 and $1.1 million, an increase in cash flows provided by investing activities of $1.2 million and $3.0 million, and a decrease in cash flows provided by financing activities of $1.2 million and $1.9 million, respectively, in the Consolidated Condensed Statement of Cash Flows. There was no impact on the Company's Consolidated Condensed Statements of Operations or Balance Sheets previously reported.

The Company considers events or transactions that occur after the balance sheet date but before the financial statements are issued to provide additional evidence relative to certain estimates or to identify matters that require additional disclosures.

(2) Significant Accounting Policies

The significant accounting policies followed by the Company and its subsidiaries in preparing its consolidated financial statements are set forth in Note 1 to such financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2011. During the nine months ended September 30, 2012, the Company adopted the following accounting pronouncements that were issued in 2011:

In May 2011, the Financial Accounting Standard Board ("FASB") issued a staff position amending existing guidance for fair value measurements and disclosures in both interim and annual financial statements. This update expands the disclosures for fair value measurements that are estimated using significant unobservable (Level 3) inputs. Other than requiring additional disclosures, adoption of this update has not had a material effect on the Company's consolidated financial statements.

In June 2011, the FASB issued a staff position which requires an entity to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income, or in two separate but consecutive statements. This update eliminates the option to present components of other comprehensive income as part of the statement of equity. The adoption of this update has not had a material effect on the Company's consolidated financial statements.

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In September 2011, the FASB issued a staff position that gives an entity the option to make a qualitative evaluation about the likelihood of goodwill impairment. An entity that adopts this option will be required to perform the two-step impairment test only if it concludes that the fair value of a reporting unit is more likely than not less than its carrying value. On January 1, 2012, the Company adopted this option. The adoption of this option has not had a material effect on the Company's consolidated financial statements, but it may impact the manner in which the Company performs testing for goodwill impairment.

In July 2012, the FASB issued a staff position that gives an entity the option to make a qualitative evaluation about the likelihood of indefinite-lived intangible asset impairment. An entity that adopts this option will be required to perform the quantitative test only if it concludes that the fair value of the indefinite-lived intangible asset is more likely than not less than its carrying value. The effective date is for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012. The Company does not expect the adoption of this option to have a material effect on the Company's consolidated financial statements, but it may impact the manner in which the Company performs testing for indefinite-lived intangible asset impairment.

In accordance with normal practice in the construction industry, the Company includes in current assets and current liabilities amounts related to construction contracts realizable and payable over a period in excess of one year. Costs and estimated earnings in excess of billings related to the Company's contracts and joint venture contracts at September 30, 2012 and December 31, 2011, consisted of the following (in thousands):

	September 30, 2012	December 31, 2011
Unbilled costs and profits incurred to date*	$ 141,980	$ 107,645
Unapproved change orders	107,786	136,704
Claims	161,896	114,049
	$ 411,662	$ 358,398

* Represents the excess of contract costs and profits recognized to date on the percentage of completion accounting method over the amount of contract billings to date on certain contracts.

Of the balance of "Unapproved change orders" and "Claims" included above in costs and estimated earnings in excess of billings at September 30, 2012 and December 31, 2011, approximately $72.2 million and $85.2 million, respectively, are amounts subject to pending litigation or dispute resolution proceedings as described in Note 7 – *Contingencies and Commitments*. These amounts are management's estimate of the probable cost recovery from the disputed claims considering such factors as evaluation of entitlement, settlements reached to date and experience with the customer. In the event that future facts and circumstances, including the resolution of disputed claims, cause a reduction in the aggregate amount of the estimated probable cost recovery from the disputed claims, the amount of such reduction will be recorded against earnings in the relevant future period.

The Company recognizes revenues from its contracts under the percentage of completion method. In the ordinary course of business, and at a minimum on a quarterly basis, the Company updates projected total contract revenue, cost and profit or loss for each of our contracts based on changes in facts, such as an approved scope change, and changes in estimates. During the three months ended September 30, 2012, the Company's results of operations were impacted by a $12.4 million increase in the estimated recovery projected for a large hospitality and gaming project which was primarily driven by changes in cost recovery assumptions based on evidence presented during the period. Excluding the discrete items that impacted the Company's estimated tax rate as discussed in Note 8 – *Income Taxes*, this change in estimate resulted in a $12.4 million increase in income from construction operations, a $7.2 million increase in net income and a $0.15 increase in diluted earnings per common share during the three and nine months ended September 30, 2012. This change was the only change in estimate considered material to the Company's results of operations during the periods presented herein.

(3) Mergers and Acquisitions

(a) Information regarding acquisitions that are material in the aggregate

On January 3, 2011, the Company completed the acquisition of Fisk Electric Company ("Fisk"), a privately held electrical construction company based in Houston, Texas. Fisk was acquired because the Company believes that it is a strong strategic fit enabling the Company to expand its nationwide electrical construction capabilities and to realize significant synergies and opportunities in support of the Company's non-residential building and civil operations. On April 1, 2011, the Company completed the acquisition of Anderson Companies ("Anderson"), the privately held parent company of Roy Anderson Corporation, Harrell Contracting Group, LLC and Brice Building Company, LLC. Anderson was acquired because the Company believes that it is a strong strategic fit for the Company's building business and strengthens the Company's position in the southeastern United States. On June 1, 2011, the Company completed the acquisition of Frontier-Kemper Constructors, Inc. ("Frontier-Kemper"), a privately held Indiana-based corporation. Frontier-Kemper was acquired because the Company believes that it is a strong strategic fit for the Company's civil business, bolstering the Company's tunneling business in the United States and expanding the Company's geographic reach into Canada. On August 18, 2011, the Company completed the acquisition of Becho, Inc. ("Becho"), a privately held Utah-based corporation. Becho was acquired because the Company believes that it is a strong strategic fit for the Company's civil business, bolstering the Company's drilling capabilities in the southwestern United States.

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The transactions were accounted for using the acquisition method of accounting. During the nine months ended September 30, 2012, the Company did not materially revise any of the assumptions, estimates or amounts used to complete its purchase price accounting as of December 31, 2011.

The following unaudited pro forma summary financial information presents the operating results of the combined Company for the three months and nine months ended September 30, 2011 assuming that the acquisitions occurred on January 1, 2010. This unaudited pro forma summary financial information is presented for informational purposes only and is not indicative either of the operating results that actually would have occurred had the acquisitions been completed on January 1, 2010, or of future results.

Pro Forma (unaudited)	Three Months Ended September 30, 2011	Nine Months Ended September 30, 2011
(in thousands, except per share data)		
Revenues	$ 1,167,866	$ 2,780,107
Income from Construction Operations	$ 63,166	$ 126,737
Net Income	$ 36,330	$ 63,395
Basic earnings per common share	$ 0.77	$ 1.34
Diluted earnings per common share	$ 0.76	$ 1.32

The pro forma results have been prepared for comparative purposes only and include certain adjustments such as (i) interest expense on acquisition debt; (ii) adjustments to depreciation expense resulting from the adjustment of fixed asset bases to fair value at acquisition; (iii) additional amortization expense related to identifiable intangible assets arising from the acquisitions; (iv) elimination of acquisition related expenses incurred; and (v) to reflect a statutory income tax rate on the pretax income of Fisk, Anderson, Frontier-Kemper and Becho, as well as on the applicable pro forma adjustments made. The pro forma results are not necessarily indicative either of the results of operations that actually would have resulted had the acquisitions been in effect on January 1, 2010, or of future results.

(b) Merger with GreenStar Services Corporation

On July 1, 2011, the Company acquired GreenStar Services Corporation ("GreenStar") via a merger of GreenStar into a wholly-owned subsidiary of the Company. GreenStar is primarily comprised of the following operating entities: Five Star Electric Corporation and WDF, Inc., which are located in New York, and Nagelbush Mechanical, Inc., which is located in Florida. GreenStar was acquired because it is one of the largest specialty contractors in the United States and it will provide an opportunity to expand the Company's presence in the northeastern markets.

The transaction was accounted for using the acquisition method of accounting. During the nine months ended September 30, 2012, the Company did not materially revise any of the assumptions, estimates or amounts used to complete its purchase price accounting as of December 31, 2011.

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The following unaudited pro forma summary financial information presents the operating results of the combined Company for the three months and nine months ended September 30, 2011 assuming that the merger occurred on January 1, 2010. This unaudited pro forma summary financial information is presented for informational purposes only and is not indicative either of the operating results that actually would have occurred had the merger been completed on January 1, 2010, or of future results.

Pro Forma (unaudited)	Three Months Ended September 30, 2011	Nine Months Ended September 30, 2011
(in thousands, except per share data)		
Revenues	$ 1,166,410	$ 2,954,044
Income from Construction Operations	$ 62,372	$ 155,667
Net Income	$ 35,740	$ 83,909
Basic earnings per common share	$ 0.76	$ 1.78
Diluted earnings per common share	$ 0.75	$ 1.75

The pro forma results have been prepared for comparative purposes only and include certain adjustments such as (i) interest expense on merger debt; (ii) adjustments to depreciation expense resulting from the adjustment of fixed asset bases to fair value at the merger date; (iii) additional amortization expense related to identifiable intangible assets arising from the merger; (iv) elimination of merger related expenses incurred; and (v) to reflect a statutory income tax rate on the pretax income of GreenStar, as well as on the applicable pro forma adjustments made. The pro forma results are not necessarily indicative either of the results of operations that actually would have resulted had the merger been in effect on January 1, 2010, or of future results.

(c) Acquisition of Lunda Construction Company

On July 1, 2011, the Company completed the acquisition of Lunda Construction Company ("Lunda"). Headquartered in Black River Falls, Wisconsin, and with offices in Wisconsin and Minnesota, Lunda is a heavy civil contractor engaged in the construction, rehabilitation and maintenance of bridges, railroads, and other civil structures in the Midwest and throughout the United States. Lunda was acquired because the Company believes it is a strong strategic fit for its civil business and will provide the Company with the opportunity to expand its civil business into the Midwestern United States.

The transaction was accounted for using the acquisition method of accounting. During the nine months ended September 30, 2012, the Company did not materially revise any of the assumptions, estimates or amounts used to complete its purchase price accounting as of December 31, 2011.

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The following unaudited pro forma summary financial information presents the operating results of the combined Company for the three months and nine months ended September 30, 2011 assuming that the acquisition occurred on January 1, 2010. This unaudited pro forma summary financial information is presented for informational purposes only and is not indicative either of the operating results that actually would have occurred had the acquisitions been completed on January 1, 2010, or of future results.

Pro Forma (unaudited)	Three Months Ended September 30, 2011	Nine Months Ended September 30, 2011
(in thousands, except per share data)		
Revenues	$ 1,166,410	$ 2,757,934
Income from Construction Operations	$ 62,136	$ 139,481
Net Income	$ 35,539	$ 73,603
Basic earnings per common share	$ 0.75	$ 1.56
Diluted earnings per common share	$ 0.74	$ 1.54

The pro forma results have been prepared for comparative purposes only and include certain adjustments such as (i) interest expense on acquisition debt; (ii) adjustments to depreciation expense resulting from the adjustment of fixed asset bases to fair value at acquisition; (iii) additional amortization expense related to identifiable intangible assets arising from the acquisitions; (iv) elimination of acquisition related expenses incurred; and (v) to reflect a statutory income tax rate on the pretax income of Lunda, as well as on the applicable pro forma adjustments made. The pro forma results are not necessarily indicative either of the results of operations that actually would have resulted had the acquisitions been in effect on January 1, 2010, or of future results.

(4) Cash and Cash Equivalents and Restricted Cash

Cash and cash equivalents, as reported in the accompanying Consolidated Condensed Balance Sheets, consist of amounts held by the Company that are available for general corporate purposes and the Company's proportionate share of amounts held by construction joint ventures that are available only for joint venture-related uses, including future distributions to joint venture partners. Restricted cash is primarily held to secure insurance-related contingent obligations, such as insurance claim deductibles, in lieu of letters of credit. At September 30, 2012 and December 31, 2011, cash and cash equivalents and restricted cash consisted of the following (in thousands):

	September 30, 2012	December 31, 2011
Corporate Cash and Cash Equivalents	$ 70,055	$ 109,180
Company's share of joint venture Cash and Cash Equivalents	110,722	95,060
Total Cash and Cash Equivalents	$ 180,777	$ 204,240
Restricted Cash	$ 38,700	$ 35,437

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(5) Fair Value Measurements

The Company measures certain financial instruments, including cash and cash equivalents, such as money market funds, at their fair values. The fair values were determined based on a three-tier valuation hierarchy for disclosure of significant inputs. These hierarchical tiers are defined as follows:

Level 1 – inputs are unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – inputs are other than quoted prices in active markets that are either directly or indirectly observable through market corroboration.

Level 3 – inputs are unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions based on the best information available in the circumstances.

The following tables provide the assets and liabilities carried at fair value measured on a recurring basis as of September 30, 2012 and December 31, 2011 (in thousands):

	Fair Value Measurements at September 30, 2012 Using			
	Total Carrying Value at September 30, 2012	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets:				
Cash and Cash Equivalents (1)	$ 180,777	$ 180,777	$ -	$ -
Restricted Cash (1)	38,700	38,700	-	-
Short-term investments (2)	3,555	-	3,555	-
Bonds substituted for retainage (3)	14,893	-	14,893	-
Long-term Investments – Auction rate securities (4)	46,283	-	-	46,283
Total	$ 284,208	$ 219,477	$ 18,448	$ 46,283
Liabilities:				
Interest rate swap contract (5)	$ 2,214	$ -	$ 2,214	$ -
Contingent Consideration (6)	46,706	-	-	46,706
	$ 48,920	$ -	$ 2,214	$ 46,706

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	Fair Value Measurements at December 31, 2011 Using			
	Total Carrying Value at December 31, 2011	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets:				
Cash and Cash Equivalents [1]	$ 204,240	$ 204,240	$ -	$ -
Restricted Cash [1]	35,437	35,437	-	
Short-term investments [2]	3,465	1,026	2,439	
Bonds substituted for retainage [3]	12,488	-	12,488	
Long-term Investments – Auction rate securities [4]	62,311	-	-	62,311
Total	$ 317,941	$ 240,703	$ 14,927	$ 62,311
Liabilities:				
Interest rate swap contract [5]	$ -	$ -	$ -	$ -
Contingent Consideration [6]	51,555	-	-	51,555
	$ 51,555	$ -	$ -	$ 51,555

(1) Cash, cash equivalents and restricted cash consist primarily of money market funds with original maturity dates of three months or less, for which fair value is determined through quoted market prices.

(2) Short-term investments are classified as other current assets and are comprised of municipal bonds, the majority of which are rated Aa2 or better. The fair values of the municipal bonds are obtained from readily-available pricing sources for comparable instruments, and as such, the Company has classified these assets as Level 2.

(3) Bonds substituted for retainage are classified as accounts receivable, including retainage and are comprised of U.S. Treasury Notes and other municipal bonds, the majority of which are rated Aa3 or better. The fair values of these assets are obtained from readily-available pricing sources for comparable instruments, and as such, the Company has classified these assets as Level 2.

(4) At September 30, 2012 the Company had $46.3 million invested in auction rate securities ("ARS") which the Company considers as available-for-sale long-term investments. The long-term investments ARS held by the Company at September 30, 2012 are in securities collateralized by student loan portfolios. At September 30, 2012 most of the Company's ARS were rated AAA and AA+. The Company estimated the fair value of its ARS utilizing an income approach valuation model which considered, among other items, the following inputs: (i) the underlying structure of each security; (ii) the present value of future principal and interest payments discounted at rates considered to reflect current market conditions (discount rates range from 3% to 7%); (iii) consideration of the probabilities of default or repurchase at par for each period (term periods range from 6 to 8 years); (iv) prices from recent comparable transactions; and (v) other third party pricing information without adjustment. See the Level 3 ARS rollforward below for disclosure of the Company's valuation approach.

(5) As discussed in Note 10 – *Financial Commitments*, the Company entered into a swap agreement with Bank of America, N.A. to establish a long-term interest rate for its $200 million five-year term loan. The swap agreement became effective for the term loan principal balance outstanding at January 31, 2012 and will remain effective through the maturity date of the term loan. The Company values the interest rate swap liability utilizing a discounted cash flow model that takes into consideration forward interest rates observable in the market and the counterparty's credit risk. This liability is classified as a component of other long-term liabilities.

(6) The liabilities listed as of September 30, 2012 above represent the contingent consideration for the Company's recent acquisitions for which the measurement period for purchase price analysis has concluded. See the Level 3 contingent consideration rollforward below for disclosure of the Company's valuation approach.

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Assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the three and nine months ended September 30, 2012 and 2011 are as follows (in thousands):

	Auction Rate Securities
Balance at December 31, 2011	$ 62,311
Purchases	-
Settlements	(16,553)
Realized loss included in other income (expense), net	(2,699)
Reversal of pretax impairment charges included in accumulated other comprehensive income (loss)	3,224
Balance at March 31, 2012	$ 46,283
Purchases	-
Settlements	-
Balance at June 30, 2012	$ 46,283
Purchases	-
Settlements	-
Balance at September 30, 2012	$ 46,283

	Auction Rate Securities
Balance at December 31, 2010	$ 88,129
Purchases	-
Settlements	-
Balance at March 31, 2011	$ 88,129
Purchases	-
Settlements	-
Balance at June 30, 2011	$ 88,129
Purchases	-
Settlements	-
Balance at September 30, 2011	$ 88,129

The Company has classified its ARS investment as long-term investments in the Consolidated Condensed Balance Sheets as the Company believes the market for government-backed student loans may take in excess of twelve months to fully recover.

The Company performs a fair market value assessment of its auction rate securities (ARS) on a quarterly basis. To estimate fair value, the Company utilizes an income approach valuation model, with consideration given to market-based valuation inputs. The model considers, among other items, the following inputs: (i) the underlying structure of each security; (ii) the present value of future principal and interest payments discounted at rates considered to reflect current market conditions (discount rates range from 3% to 7% for investment grade securities); (iii) consideration of the probabilities of default or repurchase at par for each period (term periods range from 6 to 8 years); (iv) prices from recent comparable transactions; and (v) other third party pricing information.

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The inputs and the Company's analysis consider: (i) contractual terms of the ARS instruments; (ii) government-backed guarantees, if any; (iii) credit ratings on the ARS; (iv) current interest rates on the ARS and other market interest rate data; (v) trade data available, including trade data from secondary markets, for the Company's ARS or similar ARS; (vi) recovery rates for any non-government guaranteed assets; (vii) historical transactions of the Company's ARS being called at par; (viii) refunding initiatives of ARS; and (ix) risk of downgrade and default. Current market conditions, including repayment status of student loans, credit market risk, market liquidity and macro-economic influences are reflected in these inputs.

On a quarterly basis, the Company also assesses the recoverability of the ARS balance by reviewing: (i) the regularity and timely payment of interest on the securities; (ii) the probabilities of default or repurchase at par; (iii) the risk of loss of principal from government-backed versus non-government-backed securities; and (iv) the prioritization of the Company's tranche of securities within the investment in case of default. The potential impact of any principal loss is included in the valuation model.

When the Company's analysis indicates an impairment of a security, several factors are considered to determine the proper classification of the charge including: (i) any requirement or intent to sell the security; (ii) failure of the issuer to pay interest or principal; (iii) volatility of fair value; (iv) changes to the ratings of the security; (v) adverse conditions specific to the security or market; (vi) expected defaults; and (vii) length of time and extent that fair value has been less than the cost basis. The accumulation of this data is used to conclude if a credit loss exists for the specific security, and then to determine the classification of the impairment charge as temporary or other-than-temporary.

In the first quarter of 2012, the Company sold one ARS at auction for its full par value and two ARS in a secondary market. The settlement of the three securities resulted in a pre-tax impairment charge of $2.7 million.

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Liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the three and nine months ended September 30, 2012 and 2011 are as follows (in thousands):

	Contingent Consideration
Balance at December 31, 2011	$ 51,555
Fair value adjustments included in other income (expense), net	142
Balance at March 31, 2012	$ 51,697
Fair value measured at conclusion of purchase price analysis measurement period	3,344
Fair value adjustments included in other income (expense), net	(298)
Balance at June 30, 2012	$ 54,743
Fair value adjustments included in other income (expense), net	(37)
Contingent consideration settled	(8,000)
Balance at September 30, 2012	$ 46,706

	Contingent Consideration
Balance at December 31, 2010	$ -
Fair value measured prior to conclusion of purchase price analysis measurement period	4,200
Balance at March 31, 2011	$ 4,200
Fair value measured prior to conclusion of purchase price analysis measurement period	5,500
Balance at June 30, 2011	$ 9,700
Fair value adjustments included in other income (expense), net	(1,432)
Fair value measured prior to conclusion of purchase price analysis measurement period	40,432
Balance at September 30, 2011	$ 48,700

The fair values of the contingent consideration were estimated utilizing an income approach which is based on the cash flows that the acquired entity is expected to generate in the future. This approach requires management to project revenues, operating expenses, working capital investment, capital spending and cash flows for the reporting unit over a multi-year period, as well as determine the weighted average cost of capital to be used as a discount rate (weighted average cost of capital inputs have ranged from 14%-18%).

The carrying amount of cash and cash equivalents approximates fair value due to the short-term nature of these items. The carrying values of receivables, payables, other amounts arising out of normal contract activities, including retainage, which may be settled beyond one year, are estimated to approximate fair value. Of the Company's long-term debt, the fair value of the fixed rate senior unsecured notes as of September 30, 2012 was $303.8 million, compared to its carrying value of $298.2 million. The fair value of the senior unsecured notes was estimated based on market quotations at September 30, 2012. The carrying value of the remaining balance of the Company's long-term debt of $402.6 million at September 30, 2012 is estimated to approximate fair value.

There were no significant transfers between Level 1 and Level 2 financial assets and liabilities that are fair valued on a recurring basis during the nine months ended September 30, 2012 and 2011.

(6) Goodwill and Intangible Assets

The Company tests goodwill and intangible assets with indefinite lives for impairment by applying a fair value test in the fourth quarter of each year and between annual tests if events occur or circumstances change which suggest that the goodwill or intangible assets should be evaluated. Intangible assets with finite lives are also tested for impairment whenever events or circumstances indicate that the carrying value may not be recoverable. During the second quarter of 2012, the Company experienced a sustained decrease in its stock price, causing its market capitalization to be substantially less than its carrying value and its implied control premium to increase beyond the implied control premium that was reconciled in its 2011 annual impairment analysis, and beyond the observable market comparable level. Additionally, deterioration in broader market conditions including stock market volatility, particularly in the construction industry, impacted the weighted average cost of capital rate assumptions used in deriving the fair values of the Company's reporting units, which are based primarily on market inputs. Finally, several of the Company's reporting units experienced degradation in the timing of projected cash flows used in deriving the fair values of those reporting units in its 2011 annual impairment analysis caused by delays in the timing of awards and start of new work that the Company anticipated would enter into backlog in the first half of 2012, and a general decrease in profit margins on new work awards that were factored into the Company's forecast assumptions.

In the Building reporting unit, the most significant decrease in estimated new work cash flow was the result of political decisions that negatively impacted the advance of a large project for an existing customer. In addition, the Company observed an unfavorable change in the margin mix of new work obtained in the first half of 2012 compared with prior years. The majority of the new work awards in the first half of 2012 as well as the near term new work prospects were comprised of lower margin private client work and not the higher margin public works the Building reporting unit completed in the past. The projected cash flows for the Building reporting unit as of June 30, 2012 took into consideration the changes in assumptions on new work awards and unfavorable change in margin mix, consistent with its actual results in the first half of 2012.

In the Civil reporting unit, the fourth quarter of 2011 valuation anticipated the award and start and/or ramp-up of a number of projects during 2012. Many of these projects were delayed for several reasons including political pressures, timing of funding, and general economic concerns. The change in the estimated timing of recent awards and resulting ramp-up of production resulted in deterioration in anticipated future cash flows from fourth quarter of 2011 expectations. The projected cash flows for the Civil reporting unit as of June 30, 2012 took into consideration the change in estimated timing of award and ramp-up of new work.

Within the Management Services reporting unit valuation for the fourth quarter of 2011, cash flow projections included the anticipated ramp-up of work associated with the movement of Pacific Marine Corps operations from the island of Okinawa to the island of Guam. During April 2012, United States bipartisan legislators were unable to come to agreement on government spending cuts and certain government projects were suspended. This left doubt around the timing and magnitude of the proposed move. The projected cash flows for the Management Services reporting unit as of June 30, 2012 took into consideration the uncertainty of timing surrounding significant projects with the Pacific Marine Corps on the island of Guam.

Based on these circumstances and events, the Company performed an interim goodwill and indefinite lived intangible asset impairment test as of June 30, 2012 and, as a result, the Company recorded a goodwill impairment charge of $321.1 million and an indefinite lived intangible assets impairment charge of $16.4 million in the second quarter of 2012. The Company also evaluated its finite lived tangible and intangible assets due to the degradation in the timing of projected cash flows since the Company's 2011 impairment analysis and changes in the planned use of certain intangible assets, and this analysis resulted in a $39.1 million impairment charge on the Company's finite lived intangible assets in the second quarter of 2012. These non-cash charges did not impact the Company's overall business operations.

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The first step in the two-step process of the impairment analysis was to determine the fair value of the Company and each of its reporting units and compare the fair value of each reporting unit to its carrying value. If the carrying value of the reporting unit exceeded its fair value, a second step was followed to calculate the goodwill impairment. The second step involved determining the fair value of the individual assets and liabilities of the reporting unit that failed the first step and calculating the implied fair value of goodwill. To determine the fair value of the Company and each of its reporting units, the Company utilized both an income-based valuation approach as well as a market-based valuation approach. The income-based valuation approach was based on the cash flows that the reporting unit expected to generate in the future and required the Company to project revenues, operating expenses, working capital investment, capital spending and cash flows for the reporting unit in a discrete period, as well as to determine the weighted average cost of capital to be used as a discount rate and a terminal value growth rate for the non-discrete period. The market-based valuation approach to estimate the fair value of the Company's reporting units utilized industry multiples of revenues and operating earnings. The Company equally weighted the fair values calculated under the income-based and market-based valuation approaches in arriving at the concluded fair values of its reporting units.

As part of the valuation process, the aggregate fair value of the Company was compared to its market capitalization at the valuation date in order to determine the implied control premium. The implied control premium was then compared to the control premiums paid in recent transactions within the industry. The Company's implied market control premium of 78.1% and 42.5%, as of the fourth quarter of 2011 and the second quarter of 2012 valuation, respectively, were determined to be in an acceptable range of market transactions observed in the construction and engineering industry in the past seven years.

As part of the review process for the reporting unit valuations, the Company created multiple income-based and market-based valuation models to understand the sensitivity of the variables used in determining the fair value. These models were reviewed with the Company's external fair value specialists who assisted in the process by providing insight into acceptable ranges on various valuation assumptions as well as preferred valuation techniques.

Impairment assessment inherently involves management judgments as to the assumptions used to project these amounts and the impact of market conditions on those assumptions. The key assumptions that the Company used to estimate the fair value of its reporting units under the income-based approach were as follows:

- Weighted average cost of capital used to discount the projected cash flows;
- Cash flows generated from existing and new work awards; and
- Projected operating margins.

Weighted average cost of capital rates used to discount the projected cash flows were developed via the capital asset pricing model which is primarily based upon market inputs. The Company used discount rates that management felt were an accurate reflection of the risks associated with the forecasted cash flows of its respective reporting units. Weighted average cost of capital inputs ranged from 15% - 16.5% for the Company's reporting units. As discussed above, since the Company's 2011 annual impairment analysis, the weighted average cost of capital rates were impacted by broader market conditions including the recent stock market volatility, particularly in the construction industry.

To develop the cash flows generated from new work awards and future operating margins, the Company tracked prospective work for each of its reporting units primarily on a project-by-project basis as well as the estimated timing of when the work would be bid or prequalified, started and completed. The Company also gave consideration to its relationships with the prospective owners, the pool of competitors that were capable of performing large, complex work, changes in business strategy, and the Company's history of success in winning new work in each reporting unit. With regard to operating margins, the Company gave consideration to its historical reporting unit operating margins in the end markets that the prospective work opportunities were most significant, current market trends in recent new work procurement, and changes in business strategy.

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Similar to previous valuations, the Company noted that small changes to valuation assumptions could have a significant impact on the concluded value; however, the Company gained comfort over the assumptions selected for valuation through comparison to historical transaction benchmarks, third party industry expectations, and the Company's previous models.

The Company also estimated the fair value of its reporting units under a market-based approach by applying industry-comparable multiples of revenues and operating earnings to its reporting units' projected performance. The conditions and prospects of companies in the construction industry depend on common factors such as overall demand for services.

Changes in the Company's assumptions or estimates could materially affect the determination of the fair value of a reporting unit. Such changes in assumptions could be caused by:

- Terminations, suspensions, reductions in scope or delays in the start up of the revenues and cash flows from backlog as well as the prospective work tracked;
- Reductions in available government, state and local agencies and non-residential private industry funding and spending;
- The Company's ability to effectively compete for new work and maintain and grow market penetration in the regions that the Company operates in;
- The Company's ability to successfully control costs, work schedule, and project delivery; or
- Broader market conditions, including stock market volatility in the construction industry and its impact on the weighted average cost of capital assumption.

With regard to the Company's reporting units, the carrying values of the Company's Building, Civil and Management Services reporting units were greater than their fair values, and as such, the Company performed the second step of the goodwill impairment test for these reporting units which resulted in goodwill impairments as discussed above. In this second step, the Company determined the fair value of the individual assets and liabilities of the reporting units that failed Step 1 and calculated the implied fair value of goodwill for those reporting units. The Company included in this calculation the valuation of assets and liabilities that would occur in a theoretical purchase price allocation of the reporting unit in accordance with the Financial Accounting Standards Board's (the "FASB") Accounting Standards Codification ("ASC") 805 – *Business Combinations*, as well as the value of backlog, trade name, and customer relationships and the impact of deferred tax liabilities and assets arising from the fair valuation of these assets and liabilities.

The fair value of the Specialty Contractors reporting unit substantially exceeded its carrying value, and as such, it was not necessary to perform the second step of the goodwill impairment test for this reporting unit.

In conducting the initial step of its goodwill evaluation, the Company also evaluated its finite lived tangible and intangible assets due to the degradation in the timing of projected cash flows since the Company's 2011 impairment analysis and changes in the planned use of certain intangible assets. The Company compared the fair value of the finite lived tangible and intangible assets to their carrying value and determined that the carrying value of a portion of these assets exceeded their fair value as determined by the income-based valuation approach and by benchmarking against observable market prices. This income-based valuation approach involved key assumptions similar to those used in the goodwill impairment analysis for the Company's reporting units as discussed above, (e.g. projections of future cash flows associated with the Company's trade name, contractor license, customer relationship and contract backlog intangible assets that were recorded in previous acquisitions). This analysis resulted in an impairment charge of $39.1 million associated with its finite lived intangible assets.

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During the third quarter of 2012, the Company completed its evaluation of the key assumptions used in its interim impairment analysis of goodwill and intangible assets with indefinite lives, and concluded that there were no adjustments required to be made to the impairment charges recorded in the second quarter of 2012.

Changes in the carrying amount of goodwill during the nine months ended September 30, 2012 are shown in the table below (in thousands):

	Building	Civil	Specialty Contractors	Management Services	Total
Gross Goodwill	$ 420,267	$ 430,762	$ 141,833	$ 66,638	$ 1,059,500
Accumulated Impairment	(146,847)	-	-	(20,051)	(166,898)
Balance at December 31, 2011	273,420	430,762	141,833	46,587	892,602
Acquisition related adjustments	-	(869)	-	-	(869)
Impairment charge	(262,918)	(55,740)	-	(2,429)	(321,087)
Balance at September 30, 2012	$ 10,502	$ 374,153	$ 141,833	$ 44,158	$ 570,646

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Intangible assets consist of the following (in thousands):

	September 30, 2012				Weighted Average Amortization Period
	Cost	Accumulated Amortization	Accumulated Impairment Charge	Carrying Value	
Trade names (non-amortizable)	$ 117,600	$ -	$ (67,190)	$ 50,410	Indefinite
Trade names (amortizable)	74,350	(3,232)	(23,232)	47,886	20 years
Contractor license	6,000	-	(6,000)	-	N/A
Customer relationships	39,800	(12,708)	(16,645)	10,447	11.4 years
Construction contract backlog	73,706	(52,357)	-	21,349	3.6 years
Total	$ 311,456	$ (68,297)	$ (113,067)	$ 130,092	

	December 31, 2011				Weighted Average Amortization Period
	Cost	Accumulated Amortization	Accumulated Impairment Charge	Carrying Value	
Trade names (non-amortizable)	$ 117,600	$ -	$ (56,100)	$ 61,500	Indefinite
Trade names (amortizable)	74,350	(788)	(800)	72,762	20 years
Contractor license	6,000	-	(680)	5,320	Indefinite
Customer relationships	39,800	(10,585)	-	29,215	11.6 years
Construction contract backlog	71,140	(41,938)	-	29,202	2.9 years
Total	$ 308,890	$ (53,311)	$ (57,580)	$ 197,999	

Amortization expense on intangible assets for the three and nine months ended September 30, 2012 was $3.6 million and $15.0 million, respectively. Amortization expense on intangible assets for the three and nine months ended September 30, 2011 was $2.9 million and $6.9 million, respectively. As of September 30, 2012, amortization expense on intangible assets is estimated to be $3.3 million for the remainder of 2012, $13.1 million in 2013, $11.9 million in 2014, $5.3 million in 2015, $3.5 million in 2016 and $42.6 million thereafter.

(7) Contingencies and Commitments

The Company and certain of its subsidiaries are involved in litigation and are contingently liable for commitments and performance guarantees arising in the ordinary course of business. The Company and certain of its clients have made claims arising from the performance under their contracts. The Company recognizes certain significant claims for recovery of incurred cost when it is probable that the claim will result in additional contract revenue and when the amount of the claim can be reliably estimated. These assessments require judgments concerning matters such as litigation developments and outcomes, the anticipated outcome of negotiations, the number of future claims and the cost of both pending and future claims. In addition, because most contingencies are resolved over long periods of time, liabilities may change in the future due to various factors.

Several matters are in the litigation and dispute resolution process. The following discussion provides a background and current status of these matters.

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Tutor-Saliba-Perini Joint Venture vs. Los Angeles MTA Matter

During 1995 Tutor-Saliba-Perini ("Joint Venture") filed a complaint in the Superior Court of the State of California for the County of Los Angeles against the Los Angeles County Metropolitan Transportation Authority ("LAMTA"), seeking to recover costs for extra work required by LAMTA in connection with the construction of certain tunnel and station projects. In 1999, LAMTA countered with civil claims under the California False Claims Act against the Joint Venture, Tutor-Saliba and the Company jointly and severally (together, "TSP").

Between 2005 and 2010, the court granted certain Joint Venture motions and LAMTA capitulated on others which reduced the number of false claims LAMTA may seek and limited LAMTA's claims for damages and penalties. In September 2010, LAMTA dismissed its remaining claims and agreed to pay the entire amount of the Joint Venture's remaining claims plus interest. The Court subsequently entered judgment in favor of TSP and against LAMTA in the amount of $3 million. This amount is after deducting the amount of $0.5 million, representing the tunnel handrail verdict plus accrued interest against TSP. The parties filed post-trial motions for costs and fees. The Court ruled TSP's sureties could recover costs, LAMTA could recover costs for the tunnel handrail trial, and no party could recover attorneys' fees. TSP is appealing the false claims jury verdict on the tunnel handrail claim and other issues, including the denial of TSP's and its Sureties' request for attorneys' fees. LAMTA subsequently filed its notice of cross-appeal. In March 2012, the Court finalized the preparation of the record for the Court of Appeal; opening briefs were filed in August 2012. The appeal of this case is expected to take at least a year.

The Company does not expect this matter to have any material effect on its consolidated financial statements.

Perini/Kiewit/Cashman Joint Venture-Central Artery/Tunnel Project Matter

Perini/Kiewit/Cashman Joint Venture ("PKC"), a joint venture in which the Company holds a 56% interest and is the managing partner, is currently pursuing a series of claims, instituted at different times over the course of the past ten years, for additional contract time and/or compensation against the Massachusetts Highway Department ("MHD") for work performed by PKC on a portion of the Central Artery/Tunnel ("CA/T") project in Boston, Massachusetts. During construction, MHD ordered PKC to perform changes to the work and issued related direct cost changes with an estimated value, excluding time delay and inefficiency costs, in excess of $100 million. In addition, PKC encountered a number of unforeseen conditions during construction that greatly increased PKC's cost of performance. MHD has asserted counterclaims for liquidated damages and backcharges.

Certain of PKC's claims have been presented to a Disputes Review Board ("DRB") which consists of three construction experts chosen by the parties. To date, five DRB panels have issued several awards and interim decisions in favor of PKC's claims, amounting to total awards to PKC in excess of $128 million plus interest, of which $110 million were binding awards.

In December 2010, the Suffolk County Superior Court granted MHD's motion for summary judgment to vacate the Third DRB Panel's awards to PKC for approximately $56.5 million. The Court granted the motion on the grounds that the arbitrators do not have authority to decide whether particular claims are subject to the arbitration provision of the contract. MHD subsequently moved to vacate approximately $13.7 million of the Fourth DRB Panel's total awards to PKC on the same arbitrability basis that the Third DRB's awards were vacated. In October 2011, the Suffolk County Superior Court followed its earlier arbitrability rulings holding that the Fourth DRB exceeded its authority in deciding arbitrability with respect to certain of the Fourth DRB Panel's awards (approximately $8 million of the $13.7 million discussed above). PKC is pursuing an appeal of the Superior Court decisions.

In February 2012, PKC received a $22 million payment for an interest award associated with the Second DRB panel's awards to PKC. No trial date has been set in any of the cases as the parties are currently awaiting a decision on the appeal of the Superior Court arbitrability rulings.

Management has made an estimate of the anticipated recovery on this project and it is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the financial statements at that time.

Long Island Expressway/Cross Island Parkway Matter

The Company reconstructed the Long Island Expressway/Cross Island Parkway Interchange (the "Project") for the New York State Department of Transportation (the "NYSDOT"). The $130 million Project was substantially completed in January 2004 and was accepted by the NYSDOT as finally complete in February 2006. The Company incurred significant added costs in completing its work and suffered extended schedule costs due to numerous design errors, undisclosed utility conflicts, lack of coordination with local agencies and other interferences for which the Company believes that the NYSDOT is responsible.

In March 2011, the Company filed its claim and complaint with the New York State Court of Claims and served to the New York State Attorney General's Office, in the amount of $53.8 million. In May 2011, the NYSDOT filed a motion to dismiss the Company's claim on the grounds that the Company had not provided required documentation for project closeout and filing of a claim. In September 2011, the Company reached agreement on final payment with the Comptroller's Office on behalf of the NYSDOT which resulted in an amount of $0.5 million payable to the Company and formally closed out the project, which allowed the Company's claim to be re-filed. The Company re-filed its claim in the amount of $53.8 million with the NYSDOT in February 2012 and with the Court of Claims in March 2012. In May 2012, the NYSDOT served its answer and counterclaims in the amount of $151 million alleging fraud in the inducement and punitive damages related to disadvantaged business enterprise ("DBE") requirements for the Project. The Company does not expect the counterclaim to have any material effect on its consolidated financial statements.

Management has made an estimate of the total anticipated recovery on this project and it is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the financial statements at that time.

Queensridge Matter

Tutor Perini Building Corp. ("TPBC") (formerly Perini Building Company, Inc.), a wholly owned subsidiary of the Company, was the general contractor for the construction of One Queensridge Place, a condominium project in Las Vegas, Nevada. The developer of the project, Queensridge Towers, LLC / Executive Home Builders, Inc. ("Queensridge"), has failed to pay TPBC for work which PBC and its subcontractors performed on the project.

In October 2012, TPBC and Queensridge reached an agreement to settle their respective claims. The settlement did not have a material effect on the Company's consolidated financial statements.

Gaylord Hotel and Convention Center Matter

In 2005, Gaylord National, LLC ("Gaylord"), as Owner, and Perini Building Company, Inc. / Tompkins Builders, Joint Venture ("PTJV"), as Construction Manager, entered into a contract to construct the Gaylord National Resort and Convention Center (the "Project") in Maryland. The Project is complete and as part of its settlement with Gaylord reached in November 2008, PTJV agreed to pay all subcontractors and defend all claims and lien actions by them relating to the Project. PTJV has closed out most subcontracts. Resolution of the issues with the remaining subcontractors may require mediation, arbitration and/or trial.

PTJV is pursuing an insurance claim for approximately $40 million related to work performed by Banker Steel Company, Inc. ("Banker Steel"), a subcontractor, including $11 million for business interruption costs incurred by Gaylord which have effectively been assigned to PTJV. In November 2009, PTJV filed suit against Factory Mutual Insurance Co. ("FM") in the Maryland federal district court alleging FM breached the insurance contracts and for declaratory judgment with respect to the insurance coverage. In December 2010, PTJV filed suit against ACE American Insurance Company ("ACE") in Maryland federal district court alleging ACE breached the general liability insurance contract, requesting a declaratory judgment with respect to the insurance coverage and for bad faith. FM and ACE each brought separate motions for summary judgment. In October, 2012, FM's motion was denied; ACE's motion was granted.

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Management has made an estimate of the total anticipated recovery on this project and it is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the financial statements at that time.

Fontainebleau Matter

Desert Mechanical Inc. ("DMI") and Fisk, wholly owned subsidiaries of the Company, were subcontractors on the Fontainebleau Project in Las Vegas ("Fontainebleau"), a hotel/casino complex with approximately 3,800 rooms. In June 2009, Fontainebleau filed for bankruptcy protection, under Chapter 11 of the U.S. Bankruptcy Code, in the Southern District of Florida. Fontainebleau is headquartered in Miami, Florida.

DMI and Fisk filed liens in Nevada for approximately $44 million, representing unreimbursed costs to date and lost profits, including anticipated profits. Other unaffiliated subcontractors have also filed liens. In June 2009, DMI filed suit against Turnberry West Construction, Inc. ("Turnberry"), the general contractor, in the 8th Judicial District Court, Clark County, Nevada, and in May 2010, the court entered an order in favor of DMI for approximately $45 million. DMI is uncertain as to Turnberry's present financial condition.

In January 2010, the Bankruptcy Court approved the sale of the property to Icahn Nevada Gaming Acquisition, LLC and this transaction closed in February 2010. As a result of a July 2010 ruling relating to certain priming liens, there is now approximately $125 million set aside from this sale, which is available for distribution to satisfy the creditor claims based on seniority. The total estimated sustainable lien amount is approximately $350 million. The project lender filed suit against the mechanic's lien claimants, including DMI and Fisk, alleging that certain mechanic's liens are invalid and that all mechanic's liens are subordinate to the lender's claims against the property. The Nevada Supreme Court ruled in October in an advisory opinion at the request of the Bankruptcy Court that lien priorities would be determined in favor of the mechanic lien holders under Nevada law.

Management has made an estimate of the total anticipated recovery on this project and it is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the financial statements at that time.

MGM CityCenter Matter

Tutor Perini Building Corp. ("TPBC") (formerly Perini Building Company, Inc.), a wholly owned subsidiary of the Company, contracted with MGM MIRAGE Design Group ("MGM") in March 2005 to construct the CityCenter project in Las Vegas, Nevada (the "Project"). The Project, which encompasses nineteen separate contracts, is a 66-acre urban mixed use development consisting of hotels, condominiums, retail space and a casino.

The Company achieved substantial completion of the Project in December 2009, and MGM opened the Project to the public on the same date. In March 2010, the Company filed suit against MGM and certain other property owners in the Clark County District Court alleging several claims including breach of contract, among other items.

In a Current Report on Form 8-K filed by MGM in March 2010, and in subsequent communications issued, MGM has asserted that it believes it owes substantially less than the claimed amount and that it has claims for losses in connection with the construction of the Harmon Hotel and is entitled to unspecified offsets for other work on the Project. According to MGM, the total of the offsets and the Harmon Hotel claims exceed the amount claimed by the Company.

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In May 2010, MGM filed a counterclaim and third party complaint against the Company and its subsidiary TPBC. The court granted the Company and MGM's joint motion to consolidate all subcontractor initiated actions into the main CityCenter lawsuit. MGM filed a motion to demolish the Harmon Tower, one of the CityCenter buildings. In July 2012, the Court determined that MGM can demolish the Harmon Tower as a "business decision" but that doing so would not be the result of any actions by TPBC during the construction of the project and that the Court's decision is not "a determination as to whether any design defects exist, any noncompliance with code exists, any nonconformance with plans exists or any construction defects exist."

Evidence had been presented at the hearing that the Harmon Tower could be repaired for approximately $21 million, more than $15 million of which is due to design defects that are MGM's responsibility. In August 2012, as part of MGM's motion to demolish the Harmon Tower, the Court found that MGM's testing methodology of extrapolation cannot be presented to a jury. In mid-September MGM filed a request for additional destructive testing. In October 2012, the Court ruled it would allow additional testing but with certain conditions including but not limited to the Court's withdrawing MGM's right to demolish the Harmon and severing the Harmon defects issue from the rest of the case. There will be two cases and two separate juries.

With respect to alleged losses at the Harmon Hotel, the Company has contractual indemnities from the responsible subcontractor, as well as existing insurance coverage that it expects will be available and sufficient to cover any liability that may be associated with this matter. The Company's insurance carrier initiated legal proceedings seeking declaratory relief that their insurance policies do not provide for defense or coverage for matters pertaining to the Harmon Towers. Those proceedings are stayed pending the outcome of the underlying dispute in Nevada District Court. The Company is not aware of a basis for other claims that would amount to material offsets against what MGM owes to the Company. The Company does not expect this matter to have any material effect on its consolidated financial statements.

As of September 2012, MGM has reached agreements with subcontractors to settle at a discount $301 million of amounts previously billed to MGM. The Company has reduced and will continue to reduce amounts included in revenues, cost of construction operations, accounts receivable and accounts payable for the reduction in subcontractor pass-through billings, which the Company would not expect to have an impact on recorded profit. At September 30, 2012, the Company had approximately $192 million recorded as contract receivables for amounts due and owed to the Company and its subcontractors. In December 2011, a portion of the amounts owed to one of the Company's subsidiaries, Fisk, was paid for approximately $15 million. Included in the Company's receivables are pass-through subcontractor billings for contract work and retention, and other requests for equitable adjustment for additional work in the amount of $48 million. As pass-through subcontractor billings are settled, the Company will reduce its mechanic's lien as appropriate. As of September 30, 2012, the Company's mechanic's lien against the project was $191.3 million.

Management has made an estimate of the total anticipated recovery on this project and it is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the financial statements at that time.

Honeywell Street/Queens Boulevard Bridges Matter

In 1999, the Company was awarded a contract for reconstruction of the Honeywell Street/Queens Boulevard Bridges (the "Project") for the City of New York (the "City"). In June 2003, after substantial completion of the Project, the Company initiated an action to recover $8.75 million in claims against the City on behalf of itself and its subcontractors. In March 2010, the City filed counterclaims for $74.6 million and other relief, alleging fraud in connection with the DBE requirements for the Project. In May 2010, the Company served the City with its response to the City's counterclaims and affirmative defenses. No trial date has been set.

The Company does not expect this matter to have any material effect on its consolidated financial statements.

Westgate Planet Hollywood Matter

Tutor-Saliba Corporation ("TSC"), a wholly owned subsidiary of the Company, contracted to construct a time share development in Las Vegas (the "Project") which was substantially completed in December 2009. The Company's claims against the owner, Westgate Planet Hollywood Las Vegas, LLC ("WPH"), relate to unresolved owner change orders and other claims. The Company filed a lien on the project in the amount of $23.2 million, and filed its complaint with the District Court, Clark County, Nevada. Included in the Company's receivables are pass-through subcontractor billings for contract work and retention of approximately $12 million. Several subcontractors have also recorded liens, some of which have been released by bonds and some of which have been released as a result of subsequent payment. Westgate has posted a mechanic's lien release bond for $22.3 million.

WPH filed a cross-complaint alleging non-conforming and defective work for approximately $51 million, primarily related to alleged defects, misallocated costs, and liquidated damages. Some or all of the allegations will be defended by counsel appointed by TSC's insurance carrier. WPH has since revised the amount of their counterclaims to approximately $45 million.

Two subcontractor claims have settled before trial. Trial on the remaining issues began in October 2012, and is currently ongoing.

The Company does not expect this matter to have any material effect on its consolidated financial statements. Management has made an estimate of the total anticipated recovery on this project and it is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the financial statements at that time.

100th Street Bus Depot Matter

The Company constructed the 100th Street Bus Depot for the New York City Transit Authority ("NYCTA") in New York. Prior to receiving notice of final acceptance from the NYCTA, this project experienced a failure of the brick façade on the building due to faulty subcontractor work. The Company has not yet received notice of final acceptance of this project from the NYCTA. The Company contends defective structural installation by the Company's steel subcontractor caused or was a causal factor of the brick façade failure.

The Company has tendered its claim to the NYCTA Owner Controlled Insurance Program ("OCIP") and to Chartis Claims, Inc., its insurance carrier. Coverage was denied in January 2011. The OCIP and general liability carriers have filed a declaratory relief action in the United States District Court, Southern District of New York against the Company seeking court determination that no coverage is afforded under their policies. The Company believes it has legal entitlement to recover costs under the policies and pursuing its claim against the carriers for breach of contract and appropriate associated causes of action. The Company has filed its amended answer and counterclaims in response to the declaratory relief action. The Court had scheduled a bench trial for the declaratory relief causes of action for September 2012. Chartis and Lloyd's filed motions for summary judgment on declaratory relief issues in mid-September. The Court adjourned the September trial date and set motions for summary judgment for late November 2012.

Management has made an estimate of the total anticipated recovery on this project and it is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the financial statements at that time.

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Brightwater Matter

In 2006, the Department of Natural Resources and Parks Wastewater Treatment Division of King County ("King County"), as Owner, and Vinci Construction Grands Projects/Parsons RCI/Frontier-Kemper, Joint Venture ("VPFK"), as Contractor, entered into a contract to construct the Brightwater Conveyance System and tunnel sections (the "Project") in Washington State. Frontier-Kemper, a wholly owned subsidiary of the Company, is a 20% minority partner in the joint venture.

In April 2010, King County filed a lawsuit alleging damages in the amount of $74 million, plus costs, for VPFK's failure to complete specified components of the project in the King County Superior Court, State of Washington. Shortly thereafter, VPFK filed a counterclaim in the amount of approximately $75 million, seeking reimbursement for additional costs incurred as a result of differing site conditions, King County's defective specifications, for damages sustained on VPFK's tunnel boring machines ("TBM"), and increased costs as a result of hyperbaric interventions. VPFK's claims related to differing site conditions, defective design specifications, and damages to the TBM were presented to a Dispute Resolution Board ("DRB"). King County amended the amount sought in its lawsuit to approximately $132 million. In August 2011, the DRB generally found that King County was liable to VPFK for VPFK's claims for encountering differing site conditions, including damages to the TBM, but not on VPFK's alternative theory of defective specifications. From June through August 2012, each party filed several motions for summary judgment on certain claims and requests in preparation for trial, which were heard and ruled upon by the Court. The Court granted and denied various requests of each party related to evidence and damages.

Trial started in early September and is currently ongoing.

The ultimate financial impact of King County's lawsuit is not yet determinable. Management has made an estimate of the total anticipated recovery on the submitted claims and it is included in revenue recorded to date. To the extent new facts become known or the final recovery included in the claim settlement varies from the estimate, the impact of the change will be reflected in the financial statements at that time.

156 Stations Matter

In December 2003, Five Star Electric Corporation ("FSE"), a wholly owned subsidiary of the Company, entered into an agreement with the Prime Contractor Transit Technologies, L.L.C ("Transit"), a Consortium member of Siemens Transportation Transit Technologies, L.L.C ("Siemens"), to assist in the installation of new public address and customer information screens system for each of the 156 stations for the New York City Transit Authority ("NYCTA") as the owner. Work on the project commenced in early 2004 and is substantially complete.

In June 2007, FSE submitted a Demand for Arbitration against Transit to terminate FSE's subcontract due to: the execution of a Cure Agreement between the NYCTA, Siemens and Transit, which amended FSE's rights under the Prime Contract; Transit's failure to provide information and equipment to allow work to progress according to the approved schedule, and for failure to tender payment in excess of a year. In June 2012, the arbitration panel awarded FSE a total of approximately $11.9 million to be paid within 45 days, and Transit's claims were denied. FSE filed a motion to confirm arbitration award in District Court in July 2012. In late August 2012, Transit Technologies filed a cross petition to vacate the award. A decision from the Court is expected by the end of 2012. The eventual resolution of this matter is not expected to have a material effect on the Company's consolidated financial statements.

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(8) Income Taxes

The Company's effective tax rate for the nine months ended September 30, 2012 and 2011 was 3.9% and 36.8%, respectively. The effective tax rate for the nine months ended September 30, 2012 excludes $3.6 million of certain discrete expense items related to an increase in unrecognized tax benefits of $1.1 million and an adjustment of $2.5 million, both associated with certain stock-based compensation items identified in March 2012. Other discrete items include $4.9 million related to the change in the Company's forward looking state rate and $0.9 million of benefits claimed on the tax return in excess of the prior year's income tax provision, offset by $5.0 million of additional tax benefits derived from purchased entities and a $1.0 million reversal of tax reserves. The Company's provision for income taxes and effective tax rate for the nine months ended September 30, 2012 were significantly impacted by the goodwill and intangible asset impairment charge discussed in Note 6 – *Goodwill and Intangible Assets* above. Of the total goodwill and intangible asset impairment charge of $376.6 million, approximately $255.0 million pertained to goodwill or intangible assets that yielded permanent differences between book income and taxable income. The Company has tax effected the impairment charge for the current year-to-date period based on its estimated annual effective tax rate of 3.9%, which resulted in a reduction in its provision for income taxes of approximately $37.4 million during the period. Additionally, approximately $47.7 million was recorded as a reduction in previously recorded deferred tax liabilities due to the impairment charge.

For financial statement purposes the Company uses the more-likely-than-not recognition threshold and a tax benefit measurement process for recording changes to unrecognized tax benefits. The Company recognizes interest and penalties on any income tax liabilities as a component of its income tax provision. The total amount of gross unrecognized tax benefits recorded was approximately $2.0 million and $1.7 million as of September 30, 2012 and December 31, 2011, respectively.

The Company's 2010 U.S. Federal tax return is currently being audited by the Internal Revenue Service.

(9) Stock-Based Compensation

The Tutor Perini Long-Term Incentive Plan (the "Plan") allows the Company to grant stock-based compensation awards in a variety of forms including restricted stock and stock options. The terms and conditions of the awards granted are established by the Compensation Committee of the Company's Board of Directors, who administers the Plan.

For the three and nine month periods ended September 30, 2012, the Company recognized total stock-based compensation expense of $2.3 million and $7.4 million, respectively, in general and administrative expenses For the three and nine month periods ended September 30, 2011, the Company recognized a credit of $0.3 million and total stock-based compensation expense of $6.8 million, respectively, in general and administrative expenses.

Restricted Stock Awards

Restricted stock awards vest subject to the satisfaction of service requirements or the satisfaction of both service requirements and achievement of certain performance targets. Upon vesting, each award is exchanged for one share of the Company's common stock. The grant date fair values of these awards are determined based on the closing price of the Company's common stock on either the award date (if subject only to service conditions), or the date that the Compensation Committee establishes the applicable performance target (if subject to performance conditions). As of September 30, 2012, the Compensation Committee has approved the grant of an aggregate of 4,875,833 restricted stock awards to eligible participants.

In March 2012, the Compensation Committee established the 2012 pre-tax income performance targets for 220,000 restricted stock units awarded in 2009 and 2010. In May and June 2012, the Compensation Committee approved the award of 783,333 new restricted stock units. Additionally, 120,833 restricted stock units were forfeited during the nine months ended September 30, 2012.

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For the three and nine months ended September 30, 2012, the Company recognized $1.8 million and $5.6 million, respectively, of compensation expense related to restricted stock awards. As of September 30, 2012 there was $6.5 million of unrecognized compensation cost related to the unvested awards which, absent significant forfeitures in the future, is expected to be recognized over a weighted average period of approximately 2.6 years. A summary of restricted stock awards activity under the Plan for the nine months ended September 30, 2012 is as follows:

	Number of Shares	Weighted Average Grant Date Fair Value	Aggregate Intrinsic Value
Granted and Unvested - January 1, 2012	1,185,832	$ 19.65	$ 14,633,167
Vested	(208,332)	$ 24.36	2,626,729
Granted	293,333	$ 14.39	3,355,730
Forfeited	(120,833)	$ 13.47	-
Total Granted and Unvested	1,150,000	$ 18.10	13,156,000
Approved for grant	888,335	(a)	10,162,552
Total Awarded and Unvested – September 30, 2012	2,038,335	n.a.	23,318,552

(a) Grant date fair value cannot be determined currently because the related performance targets for future years have not yet been established by the Compensation Committee.

The outstanding unvested awards at September 30, 2012 are scheduled to vest as follows, subject where applicable to the achievement of performance targets. As described above, certain performance targets have not yet been established.

Vesting Date	Number of Awards
2013	905,000
2014	408,335
2015	150,000
2016	165,000
2017	410,000
Total	2,038,335

Approximately 245,000 of the unvested awards will vest based on the satisfaction of service requirements and 1,793,335 will vest based on the satisfaction of both service requirements and the achievement of certain performance targets.

Stock Options

Stock option awards generally vest subject to the satisfaction of service requirements or the satisfaction of both service requirements and achievement of certain performance targets. The grant date fair values of these awards are determined based on the Black-Scholes option price model on either the award date (if subject only to service conditions), or, the date that the Compensation Committee establishes the applicable performance target (if subject to performance conditions). The related compensation expense is amortized over the applicable requisite service period. The exercise price of the options is equal to the closing price of the Company's common stock on the date the awards were approved by the Compensation Committee, and the awards expire ten years from the award date. As of September 30, 2012, the Compensation Committee has approved an aggregate of 2,380,465 stock option awards to eligible participants.

In March 2012 the Compensation Committee established the 2012 pre-tax income performance target for 150,000 stock options awarded in 2009. In May and June 2012 the Compensation Committee approved the award of 695,000 new stock options. Additionally, 75,000 stock options were forfeited during the nine months ended September 30, 2012.

For the three and nine months ended September 30, 2012, the Company recognized compensation expense of $0.5 million and $1.9 million, respectively, related to stock option awards. As of September 30, 2012, there was $2.4 million of unrecognized compensation expense related to the outstanding options which, absent significant forfeitures in the future, is expected to be recognized over a weighted average period of approximately 2.7 years.

A summary of stock option activity under the Plan for the nine months ended September 30, 2012 is as follows:

		Weighted Average	
	Number of Shares	Grant Date Fair Value	Exercise Price
Total Granted and Outstanding - January 1, 2012	1,225,465	$ 10.11	$ 18.45
Granted	165,000	$ 5.65	$ 19.51
Forfeited	(75,000)	$ 7.20	$ -
Total Granted and Outstanding	1,315,465	$ 9.72	$ 18.91
Approved for grant	830,000	(a)	$ 12.80
Total Awarded and Outstanding – September 30, 2012	2,145,465	n.a.	$ 16.55

(a) Grant date fair value cannot be determined currently because the related performance targets for future years have not yet been established by the Compensation Committee.

There were 490,465 options that have vested and were exercisable at September 30, 2012 at a weighted average exercise price of $19.79 per share. Of the remaining options outstanding, approximately 592,500 will vest based on the satisfaction of service requirements and 1,062,500 will vest based on the satisfaction of both service requirements and the achievement of certain performance targets.

At September 30, 2012, the outstanding options of 1,315,465 shares had an intrinsic value of $0.1 million and a weighted average remaining contractual life of 6.8 years.

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During 2009, the Compensation Committee approved the award of 750,000 stock options that vest in five equal annual tranches from 2010 to 2014 subject to the achievement of pre-tax income performance targets established by the Compensation Committee. In March 2012, the Compensation Committee established the 2012 pre-tax income performance target for the fourth tranche of 150,000 stock options awarded in 2009. During May 2012, the Compensation Committee approved the award of 15,000 stock options that vest subject to service-based requirements only. The fair values of these stock options were determined during the nine months ended September 30, 2012 based on the Black Scholes option pricing model using the following key assumptions:

Number of Shares	150,000	15,000
Risk-free interest rate	0.88%	1.12%
Expected life of options	4.4 years	7.3 years
Expected volatility of underlying stock	53.89%	50.59%
Expected quarterly dividends (per share)	0.00	0.00

(10) Financial Commitments

Amended Credit Agreement

On August 2, 2012, the Company entered into a First Amendment (the "First Amendment") to its Fifth Amended and Restated Credit Agreement (the "Credit Agreement") entered into on August 3, 2011 as Borrower, with Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer (the "Lender"). The First Amendment modifies the financial covenants under the Credit Agreement beginning for the period ended September 30, 2012 to allow for more favorable minimum net worth, minimum fixed charge and maximum leverage ratios for the Company and also to add new financial covenants including minimum liquidity and consolidated senior leverage ratio covenants. The First Amendment also increases the sublimit for letters of credit from $50 million to $150 million.

Under the First Amendment, the minimum net worth covenant is modified such that the consolidated net worth of the Company cannot be less than the sum of: (i) 85% of the consolidated net worth as of March 31, 2012 less the actual goodwill and intangible assets impairment charge taken on or before September 30, 2012, not to exceed $450.0 million; (ii) an amount equal to 50% of net income for each fiscal quarter ending after June 30, 2012 (with no deduction for net losses); and (iii) an amount equal to 100% of the aggregate amount of all equity issuances after June 30, 2012 that increase stockholder's equity. The minimum fixed charge ratio covenant is modified such that the minimum fixed charge ratio shall not be less than 1.00 to 1.00 for the quarterly periods ending September 30, 2012 and December 31, 2012, 1.10 to 1.00 for the quarterly periods ending March 31, 2013 and June 30, 2013, and 1.25 to 1.00 for the quarterly periods ending September 30, 2013 and thereafter. The consolidated leverage ratio covenant is modified such that the consolidated leverage ratio shall not be greater than 4.25 to 1.00 for the quarterly periods ending September 30, 2012 through March 31, 2013, 3.75 to 1.00 for the quarterly periods ending June 30, 2013 through December 31, 2013, 3.25 to 1.00 for the quarterly periods ending March 31, 2014 through September 30, 2014 and 2.75 to 1.00 for the quarterly periods ending December 31, 2014 and thereafter. The First Amendment allows for an add-back to EBITDA of up to $450.0 million for any goodwill and intangible asset impairment charges that impact the ratios for all fiscal quarters through March 31, 2013.

The First Amendment also modifies the applicable interest rates for amounts outstanding such that they bear interest at a rate equal to, at the Company's option, (a) the adjusted British Bankers Association LIBOR rate, as defined, plus 200 to 400 basis points (floor of 200 basis points) based on the ratio of consolidated funded indebtedness of the Company and its subsidiaries to consolidated EBITDA or (b) the higher of the Federal Funds Rate plus 50 basis points, or the prime rate announced by Bank of America, N.A., plus up to 300 basis points based on the ratio of consolidated funded indebtedness of the Company and its subsidiaries to consolidated EBITDA. In addition, the Company has agreed to pay quarterly facility fees ranging from 0.375% to 0.700% per annum of the unused portion of the credit facility.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
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The Credit Agreement allows the Company to borrow up to $300 million on a revolving credit basis (the "Revolving Facility"), with a $150 million sublimit for letters of credit, and an additional $200 million term loan (the "Term Loan"). Subject to certain conditions, the Company has the option to increase the base facility by up to an additional $50 million. Substantially all of the Company's subsidiaries unconditionally guarantee the obligations of the Company under the Credit Agreement. The obligations under the Credit Agreement are secured by a lien on all personal property of the Company and its subsidiaries party thereto. Any outstanding loans under the Revolving Facility mature on August 3, 2016, while the Term Loan includes quarterly installments of principal and interest payable over a five-year period. The Term Loan balance has been paid down to $161.3 million at September 30, 2012.

The Company was in compliance with the modified financial covenants under the First Amendment for the period ended September 30, 2012.

The Company had $70.0 million of outstanding borrowings under its Revolving Facility as of September 30, 2012 and no outstanding borrowings as of December 31, 2011. The Company utilized the Revolving Facility for letters of credit in the amount of $0.2 million and $3.0 million as of September 30, 2012 and December 31, 2011, respectively. Accordingly, at September 30, 2012, the Company had $229.8 million available to borrow under the Credit Agreement.

On August 26, 2011, the Company entered into a swap agreement ("Swap Agreement") with Bank of America, N.A. to establish a long-term interest rate for the Term Loan discussed above. The Swap Agreement pertains to the Term Loan principal balance outstanding at January 31, 2012 and will remain effective through the maturity date of the Term Loan. Amounts outstanding under the Swap Agreement will bear interest at a rate equal to the Applicable Rate, as defined in the Credit Agreement (based upon the Company's consolidated leverage ratio), plus 97.5 basis points. The Swap Agreement includes quarterly installments of principal and monthly installments of interest payable through the maturity date of the Term Loan.

(11) Earnings (Losses) per Common Share

Basic earnings (losses) per common share were computed by dividing net income by the weighted average number of common shares outstanding. Diluted earnings (losses) per common share were similarly computed after giving consideration to the dilutive effect of stock options and restricted stock awards outstanding on the weighted average number of common shares outstanding. The computation of diluted earnings (loss) per common share for the three months ended September 30, 2012 excludes 1,315,465 stock option shares, and for the nine months ended September 30, 2012 excludes 1,315,465 stock option shares and 1,358,332 restricted stock units, respectively, because these shares would have an antidilutive effect. The computation of diluted earnings per common share for the three and nine months ended September 30, 2011 excludes 247,500 restricted stock units and 920,465 stock options.

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(12) Business Segments

The following tables set forth certain reportable segment information relating to the Company's operations for the three and nine months ended September 30, 2012 and 2011 (in thousands). As discussed in the Annual Report on Form 10-K for the fiscal year ended December 31, 2011, the Company completed a reorganization of its reportable segments during 2011, and as such, the Company has restated comparative prior period information for the reorganized reportable segments in the tables below.

	Reportable Segments						
	Building	Civil	Specialty Contractors	Management Services	Totals	Corporate	Consolidated Total
Three Months Ended September 30, 2012							
Total Revenues	$ 391,531	$ 350,542	$ 315,270	$ 51,744	$ 1,109,087	$ -	$ 1,109,087
Elimination of intersegment revenues	(508)	(4,202)	-	(4,984)	(9,694)	-	(9,694)
Revenues from external customers	$ 391,023	$ 346,340	$ 315,270	$ 46,760	$ 1,099,393	$ -	$ 1,099,393
Income from Construction Operations	$ 20,847	$ 26,280	$ 14,236	$ 2,841	$ 64,204	$ (9,528)*	$ 54,676
Three Months Ended September 30, 2011							
Total Revenues	$ 566,518	$ 280,446	$ 335,924	$ 85,481	$ 1,268,369	$ -	$ 1,268,369
Elimination of intersegment revenues	(72,721)	(3,649)	-	(25,589)	(101,959)	-	(101,959)
Revenues from external customers	$ 493,797	$ 276,797	$ 335,924	$ 59,892	$ 1,166,410	$ -	$ 1,166,410
Income from Construction Operations	$ 8,877	$ 23,805	$ 33,130	$ 5,381	$ 71,193	$ (9,157)*	$ 62,036

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	Reportable Segments						
	Building	Civil	Specialty Contractors	Management Services	Totals	Corporate	Consolidated Total
Nine Months Ended September 30, 2012							
Total Revenues	$ 1,066,494	$ 928,203	$ 858,843	$ 184,629	$ 3,038,169	$ -	$ 3,038,169
Elimination of intersegment revenues	(4,417)	(8,794)	(233)	(27,452)	(40,896)	-	(40,896)
Revenues from external customers	$ 1,062,077	$ 919,409	$ 858,610	$ 157,177	$ 2,997,273	$ -	$ 2,997,273
(Loss) Income from Construction Operations:							
Before Impairment Charge	$ (2,537)	$ 68,884	$ 53,852	$ 6,579	$ 126,778	$ (32,739)*	$ 94,039
Impairment Charge	(282,608)	(65,503)	(11,489)	(16,974)	(376,574)	-	(376,574)
Total	$ (285,145)	$ 3,381	$ 42,363	$ (10,395)	$ (249,796)	$ (32,739)	$ (282,535)
Nine Months Ended September 30, 2011							
Total Revenues	$ 1,461,005	$ 557,398	$ 514,809	$ 209,956	$ 2,743,168	$ -	$ 2,743,168
Elimination of intersegment revenues	(81,426)	(9,092)	-	(51,093)	(141,611)	-	(141,611)
Revenues from external customers	$ 1,379,579	$ 548,306	$ 514,809	$ 158,863	$ 2,601,557	$ -	$ 2,601,557
Income from Construction Operations	$ 43,704	$ 51,732	$ 35,812	$ 14,541	$ 145,789	$ (28,205)*	$ 117,584

* Consists primarily of corporate general and administrative expenses.

The following table sets forth certain reportable segment information relating to the Company's total assets as of September 30, 2012 and December 31, 2011 (in thousands):

	Total Assets as of	
	September 30, 2012	December 31, 2011
Building	$ 690,188	$ 1,125,632
Civil	1,056,837	1,102,471
Specialty Contractors	718,383	597,986
Management Services	184,735	182,583
	2,650,143	3,008,672
Corporate **	585,315	604,455
Total	$ 3,235,458	$ 3,613,127

** Consists principally of cash and cash equivalents, corporate transportation equipment, and other investments available for general corporate purposes.

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(13) Employee Pension Plans

The Company has a defined benefit pension plan and an unfunded supplemental retirement plan. Effective September 1, 2004, all benefit accruals under the Company's pension plan were frozen; however, the current vested benefit was preserved. The pension disclosure presented below includes aggregated amounts for both of the Company's plans. The following table sets forth the net periodic benefit cost by component for the three and nine months ended September 30, 2012 and 2011 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Interest cost	$ 1,005	$ 1,108	$ 3,015	$ 3,323
Expected return on plan assets	(1,186)	(1,254)	(3,558)	(3,763)
Amortization of net loss	1,396	992	4,189	2,976
Net periodic benefit cost	$ 1,215	$ 846	$ 3,646	$ 2,536

The Company contributed $4.7 million and $5.2 million to its defined benefit pension plan during the nine months ended September 30, 2012 and 2011, respectively. The Company expects to contribute an additional $0.9 million to its defined benefit pension plan during the remainder of fiscal year 2012.

(14) Related Party Transactions

The Company leases certain facilities from Ronald N. Tutor, the Company's Chairman and Chief Executive Officer, and an affiliate owned by Mr. Tutor under non-cancelable operating lease agreements with monthly payments of $0.2 million, which increase at 3% per annum beginning August 1, 2009 and expire on July 31, 2016. Lease expense for these leases, recorded on a straight-line basis, was $1.8 million and $1.8 million for the nine months ended September 30, 2012 and 2011, respectively, and was $0.6 million and $0.6 million for the three months ended September 30, 2012 and 2011, respectively.

Raymond R. Oneglia, who is the Vice Chairman of O&G Industries, Inc. ("O&G") is a director of the Company. O&G occasionally participates in joint ventures with the Company. The Company's share of revenues related to these joint ventures amounted to $13.3 million and $4.3 million (or less than 1%) for the nine months ended September 30, 2012 and 2011, respectively, and $4.8 million and $2.4 million (or less than 1%) for the three months ended September 30, 2012 and 2011, respectively. O&G's cumulative holdings of the Company's stock as of September 30, 2012 and 2011 were 600,000 shares, or 1.26% and 1.27%, of total common shares outstanding at September 30, 2012 and 2011, respectively.

The Company has periodically utilized flight services from JF Aviation, LLC. James A. Frost is the Owner of JF Aviation, LLC and serves as Executive Vice President and Chief Executive Officer of the Company's Civil segment. During the nine months ended September 30, 2012 and 2011, the transactions amounted to approximately $0.4 million and $0.3 million, respectively. There were no transactions during the three months ended September 30, 2012. During the three months ended September 30, 2011, the transactions amounted to approximately $0.1 million.

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

(15) Separate Financial Information of Subsidiary Guarantors of Indebtedness

The Company's obligation to pay principal and interest on its 7.625% senior unsecured notes due November 1, 2018, is guaranteed on a joint and several basis by substantially all of the Company's existing and future subsidiaries that guarantee obligations under the Company's Credit Agreement, with certain exceptions (the "Guarantors"). The guarantees are full and unconditional and the Guarantors are 100%-owned by the Company.

The following supplemental condensed consolidating financial information reflects the summarized financial information of the Company as the issuer, the Guarantors and the Company's non-guarantor subsidiaries on a combined basis.

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NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING BALANCE SHEETS – SEPTEMBER 30, 2012 (UNAUDITED)
(In Thousands)

	Tutor Perini Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total Consolidated
ASSETS					
Cash and Cash Equivalents	$ 93,938	$ 50,304	$ 36,535	$ -	$ 180,777
Restricted Cash	30,226	8,474	-	-	38,700
Accounts Receivable	141,255	1,147,571	2,320	(41,359)	1,249,787
Costs and Estimated Earnings in Excess of Billings	97,540	333,611	152	(19,641)	411,662
Deferred Income Taxes	-	15,696	-	(12,450)	3,246
Other Current Assets	68,080	48,958	3,629	(44,646)	76,021
Total Current Assets	431,039	1,604,614	42,636	(118,096)	1,960,193
Long-term Investments	46,283	-	-	-	46,283
Property and Equipment, net	62,234	420,971	4,909	-	488,114
Intercompany Notes and Receivables	56,746	606,288	(14,761)	(648,273)	-
Other Assets:					
Goodwill	-	570,646	-	-	570,646
Intangible Assets, net	-	130,092	-	-	130,092
Investment in Subsidiaries	2,074,576	4	50	(2,074,630)	-
Other	37,320	9,274	20,375	(26,839)	40,130
	$ 2,708,198	$ 3,341,889	$ 53,209	$ (2,867,838)	$ 3,235,458
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current Maturities of Long-term Debt	$ 40,454	$ 23,378	$ -	$ -	$ 63,832
Accounts Payable	64,834	746,805	58	(61,000)	750,697
Billings in Excess of Costs and Estimated Earnings	96,187	249,207	34	-	345,428
Accrued Expenses and Other Current Liabilities	96,192	87,240	35,159	(57,096)	161,495
Total Current Liabilities	297,667	1,106,630	35,251	(118,096)	1,321,452
Long-term Debt, less current maturities	548,496	113,281	-	(24,845)	636,932
Deferred Income Taxes	54,014	7,760	-	(1,994)	59,780
Other Long-term Liabilities	112,388	4,169	-	-	116,557
Contingencies and Commitments					
Intercompany Notes and Advances Payable	594,896	49,821	3,556	(648,273)	-
Stockholders' Equity	1,100,737	2,060,228	14,402	(2,074,630)	1,100,737
	$ 2,708,198	$ 3,341,889	$ 53,209	$ (2,867,838)	$ 3,235,458

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CONDENSED CONSOLIDATING BALANCE SHEETS - DECEMBER 31, 2011 (UNAUDITED)
(In Thousands)

	Tutor Perini Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total Consolidated
ASSETS					
Cash and Cash Equivalents	$ 134,936	$ 52,492	$ 16,812	$ -	$ 204,240
Restricted Cash	26,985	8,452	-	-	35,437
Accounts Receivable	106,540	1,257,384	10,173	(99,066)	1,275,031
Costs and Estimated Earnings in Excess of Billings	103,418	254,828	152	-	358,398
Deferred Income Taxes	-	-	-	-	-
Other Current Assets	53,513	48,218	2,767	(27,570)	76,928
Total Current Assets	425,392	1,621,374	29,904	(126,636)	1,950,034
Long-term Investments	62,311	-	-	-	62,311
Property and Equipment, net	49,343	436,921	5,113	-	491,377
Intercompany Notes and Receivables	9,232	705,371	(10,761)	(703,842)	-
Other Assets:					
Goodwill	-	892,602	-	-	892,602
Intangible Assets, net	-	197,999	-	-	197,999
Investment in Subsidiaries	2,431,150	300	50	(2,431,500)	-
Other	13,830	9,183	20,375	(24,584)	18,804
	$ 2,991,258	$ 3,863,750	$ 44,681	$ (3,286,562)	$ 3,613,127
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current Maturities of Long-term Debt	$ 36,105	$ 23,854	$ -	$ -	$ 59,959
Accounts Payable	40,072	844,664	55	(99,066)	785,725
Billings in Excess of Costs and Estimated Earnings	58,877	325,371	34	-	384,282
Accrued Expenses and Other Current Liabilities	39,870	123,598	27,370	(27,570)	163,268
Total Current Liabilities	174,924	1,317,487	27,459	(126,636)	1,393,234
Long-term Debt, less current maturities	507,482	129,650	-	(24,584)	612,548
Deferred Income Taxes	89,798	8,123	-	-	97,921
Other Long-term Liabilities	104,740	4,857	-	-	109,597
Contingencies and Commitments					
Intercompany Notes and Advances Payable	714,487	(15,835)	5,190	(703,842)	-
Stockholders' Equity	1,399,827	2,419,468	12,032	(2,431,500)	1,399,827
	$ 2,991,258	$ 3,863,750	$ 44,681	$ (3,286,562)	$ 3,613,127

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (UNAUDITED)
THREE MONTHS ENDED SEPTEMBER 30, 2012
(In Thousands)

	Tutor Perini Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total Consolidated
Revenues	$ 113,068	$ 996,809	$ -	$ (10,484)	$ 1,099,393
Cost of Operations	97,225	900,634	(3,445)	(10,484)	983,930
Gross Profit	15,843	96,175	3,445	-	115,463
General and Administrative Expenses	17,840	42,417	530	-	60,787
(LOSS) INCOME FROM CONSTRUCTION OPERATIONS	(1,997)	53,758	2,915	-	54,676
Equity in Earnings of Subsidiaries	49,135	-	-	(49,135)	-
Other Income (Expense), net	45	264	236	-	545
Interest Expense	(10,133)	(906)	-	-	(11,039)
Income before Income Taxes	37,050	53,116	3,151	(49,135)	44,182
Benefit (Provision) for Income Taxes	5,541	(5,732)	(1,400)	-	(1,591)
NET INCOME	$ 42,591	$ 47,384	$ 1,751	$ (49,135)	$ 42,591
Other Comprehensive Income:					
Other Comprehensive Income of Subsidiaries	363	-	-	(363)	-
Tax adjustment on minimum pension liability	(841)	-	-	-	(841)
Foreign currency translation	-	362	-	-	362
Change in fair value of investments	-	1	-	-	1
Change in fair value of interest rate swap	(177)	-	-	-	(177)
Total Other Comprehensive (Loss) Income	(655)	363	-	(363)	(655)
Total Comprehensive Income	$ 41,936	$ 47,747	$ 1,751	$ (49,498)	$ 41,936

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (UNAUDITED)
THREE MONTHS ENDED SEPTEMBER 30, 2011
(In Thousands)

	Tutor Perini Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total Consolidated
Revenues	$ 72,632	$ 1,197,802	$ -	$ (104,024)	$ 1,166,410
Cost of Operations	63,235	1,091,167	(4,323)	(104,024)	1,046,055
Gross Profit	9,397	106,635	4,323	-	120,355
General and Administrative Expenses	14,892	42,993	434	-	58,319
(LOSS) INCOME FROM CONSTRUCTION OPERATIONS	(5,495)	63,642	3,889	-	62,036
Equity in Earnings of Subsidiaries	42,116	-	-	(42,116)	-
Other Income (Expense), net	5,536	323	4	-	5,863
Interest Expense	(10,634)	(932)	-	-	(11,566)
Income before Income Taxes	31,523	63,033	3,893	(42,116)	56,333
Benefit (Provision) for Income Taxes	3,954	(23,363)	(1,447)	-	(20,856)
NET INCOME	$ 35,477	$ 39,670	$ 2,446	$ (42,116)	$ 35,477
Other Comprehensive Income:					
Other Comprehensive Income of Subsidiaries	(684)	-	-	684	-
Foreign currency translation	-	(1,279)	-	-	(1,279)
Change in fair value of investments	-	595	-	-	595
Total Other Comprehensive Loss	(684)	(684)	-	684	(684)
Total Comprehensive Income	$ 34,793	$ 38,986	$ 2,446	$ (41,432)	$ 34,793

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS AND COMPREHENSIVE (LOSS) INCOME (UNAUDITED)
NINE MONTHS ENDED SEPTEMBER 30, 2012
(In Thousands)

	Tutor Perini Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total Consolidated
Revenues	$ 276,633	$ 2,764,764	$ -	$ (44,124)	$ 2,997,273
Cost of Operations	242,954	2,521,009	(11,249)	(44,124)	2,708,590
Gross Profit	33,679	243,755	11,249	-	288,683
General and Administrative Expenses	53,579	139,465	1,600	-	194,644
Goodwill and Intangible Assets Impairment	-	376,574	-	-	376,574
(LOSS) INCOME FROM CONSTRUCTION OPERATIONS	(19,900)	(272,284)	9,649	-	(282,535)
Equity in Earnings of Subsidiaries	(273,177)	-	-	273,177	-
Other (Expense) Income, net	(1,484)	119	684	-	(681)
Interest Expense	(29,817)	(2,907)	-	-	(32,724)
(Loss) Income before Income Taxes	(324,378)	(275,072)	10,333	273,177	(315,940)
Benefit (Provision) for Income Taxes	17,343	(4,201)	(4,237)	-	8,905
(LOSS) NET INCOME	$ (307,035)	$ (279,273)	$ 6,096	$ 273,177	$ (307,035)
Other Comprehensive Income:					
Other Comprehensive Income of Subsidiaries	627	-	-	(627)	-
Tax adjustment on minimum pension liability	(841)	-	-	-	(841)
Foreign currency translation	-	419	-	-	419
Change in fair value of investments	-	208	-	-	208
Change in fair value of interest rate swap	(1,196)	-	-	-	(1,196)
Realized loss on sale of investments recorded in Net Income (Loss)	2,005	-	-	-	2,005
Total Other Comprehensive Income	595	627	-	(627)	595
Total Comprehensive (Loss) Income	$ (306,440)	$ (278,646)	$ 6,096	$ 272,550	$ (306,440)

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (UNAUDITED)
NINE MONTHS ENDED SEPTEMBER 30, 2011
(In Thousands)

	Tutor Perini Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total Consolidated
Revenues	$ 225,619	$ 2,520,839	$ -	$ (144,901)	$ 2,601,557
Cost of Operations	191,888	2,294,167	(9,625)	(144,901)	2,331,529
Gross Profit	33,731	226,672	9,625	-	270,028
General and Administrative Expenses	45,456	105,801	1,187	-	152,444
(LOSS) INCOME FROM CONSTRUCTION OPERATIONS	(11,725)	120,871	8,438	-	117,584
Equity in Earnings of Subsidiaries	80,459	-	-	(80,459)	-
Other Income (Expense), net	6,639	(14)	23	-	6,648
Interest Expense	(23,963)	(2,010)	-	-	(25,973)
Income before Income Taxes	51,410	118,847	8,461	(80,459)	98,259
Benefit (Provision) for Income Taxes	10,690	(43,735)	(3,114)	-	(36,159)
NET INCOME	$ 62,100	$ 75,112	$ 5,347	$ (80,459)	$ 62,100
Other Comprehensive Income:					
Other Comprehensive Income of Subsidiaries	(595)	-	-	595	-
Foreign currency translation	-	(1,190)	-	-	(1,190)
Change in fair value of investments	-	595	-	-	595
Total Other Comprehensive Loss	(595)	(595)	-	595	(595)
Total Comprehensive Income	$ 61,505	$ 74,517	$ 5,347	$ (79,864)	$ 61,505

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS (UNAUDITED)
NINE MONTHS ENDED SEPTEMBER 30, 2012
(In Thousands)

	Tutor Perini Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total Consolidated
Cash Flows from Operating Activities:					
Net (loss) income	$ (307,035)	$ (279,273)	$ 6,096	$ 273,177	$ (307,035)
Adjustments to reconcile net (loss) income to net cash from operating activities:					
Goodwill and intangible assets impairment	-	376,574	-	-	376,574
Depreciation and amortization	3,815	42,657	204	-	46,676
Equity in earnings of subsidiaries	273,177	-	-	(273,177)	-
Stock-based compensation expense	7,424	-	-	-	7,424
Adjustment of interest rate swap to fair value	264	-	-	-	264
Deferred income taxes	(37,810)	(4,198)	-	-	(42,008)
Loss on sale of equipment	-	509	-	-	509
Loss on sale of investments	2,699	-	-	-	2,699
Other long-term liabilities	(5,826)	(2,573)	-	-	(8,399)
Other non-cash items	(524)	78	-	-	(446)
Changes in other components of working capital	62,007	(180,925)	14,783	-	(104,135)
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	$ (1,809)	$ (47,151)	$ 21,083	$ -	$ (27,877)
Cash Flows from Investing Activities:					
Acquisition of property and equipment	(12,332)	(21,405)	-	-	(33,737)
Proceeds from sale of property and equipment	500	11,250	-	-	11,750
Investments in available-for-sale securities	-	(535)	-	-	(535)
Proceeds from sale of available-for-sale securities	16,553	-	-	-	16,553
Change in restricted cash	(3,241)	(22)	-	-	(3,263)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	$ 1,480	$ (10,712)	$ -	$ -	$ (9,232)
Cash Flows from Financing Activities:					
Proceeds from debt	531,618	(20,039)	-	-	511,579
Repayment of debt	(486,426)	883	-	-	(485,543)
Business acquisition related payments	(10,090)	-	-	-	(10,090)
Issuance of common stock and effect of cashless exercise	(307)	-	-	-	(307)
Debt issuance costs	(1,993)	-	-	-	(1,993)
Increase (decrease) in intercompany advances	(73,471)	74,831	(1,360)	-	-
NET CASH (USED) PROVIDED BY FINANCING ACTIVITIES	$ (40,669)	$ 55,675	$ (1,360)	$ -	$ 13,646
Net (Decrease) Increase in Cash and Cash Equivalents	(40,998)	(2,188)	19,723	-	(23,463)
Cash and Cash Equivalents at Beginning of Year	134,936	52,492	16,812	-	204,240
Cash and Cash Equivalents at End of Period	$ 93,938	$ 50,304	$ 36,535	$ -	$ 180,777

TUTOR PERINI CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS (UNAUDITED)
NINE MONTHS ENDED SEPTEMBER 30, 2011
(In Thousands)

	Tutor Perini Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Total Consolidated
Cash Flows from Operating Activities:					
Net income	$ 62,100	$ 75,112	$ 5,347	$ (80,459)	$ 62,100
Adjustments to reconcile net income to net cash from operating activities:					
Depreciation and amortization	3,911	25,463	220	-	29,594
Equity in earnings of subsidiaries	(80,459)	-	-	80,459	-
Stock-based compensation expense	6,820	-	-	-	6,820
Excess income tax benefit from stock-based compensation	(18)	-	-	-	(18)
Deferred income taxes	(161)	573	-	-	412
Gain on sale of equipment	-	(896)	-	-	(896)
Gain on bargain purchase	(4,000)	-	-	-	(4,000)
Other long-term liabilities	(5,915)	(2,004)	-	-	(7,919)
Other non-cash items	(659)	(2,592)	-	-	(3,251)
Changes in other components of working capital	(19,612)	(187,547)	(695)	-	(207,854)
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	$ (37,993)	$ (91,891)	$ 4,872	$ -	$ (125,012)
Cash Flows from Investing Activities:					
Acquisitions, net of cash balance acquired	(337,873)	-	-	-	(337,873)
Acquisition of property and equipment	(4,284)	(35,410)	-	-	(39,694)
Proceeds from sale of property and equipment	22	6,504	-	-	6,526
Proceeds from sale of available-for-sale securities	-	7,388	-	-	7,388
Change in restricted cash	(3,425)	(3,771)	-	-	(7,196)
Investment in other activities	-	-	-	-	-
NET CASH USED BY INVESTING ACTIVITIES	$ (345,560)	$ (25,289)	$ -	$ -	$ (370,849)
Cash Flows from Financing Activities:					
Proceeds from debt	466,659	101,123	-	-	567,782
Repayment of debt	(217,056)	(46,003)	-	-	(263,059)
Business acquisition related payments	(1,904)	-	-	-	(1,904)
Excess income tax benefit from stock-based compensation	18	-	-	-	18
Issuance of Common Stock and effect of cashless exercise	(44)	-	-	-	(44)
Debt issuance costs	(4,989)	-	-	-	(4,989)
Increase (decrease) in intercompany advances	80,842	(70,896)	(9,946)	-	-
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	$ 323,526	$ (15,776)	$ (9,946)	$ -	$ 297,804
Net Decrease in Cash and Cash Equivalents	(60,027)	(132,956)	(5,074)	-	(198,057)
Cash and Cash Equivalents at Beginning of Year	222,156	220,086	29,136	-	471,378
Cash and Cash Equivalents at End of Period	$ 162,129	$ 87,130	$ 24,062	$ -	$ 273,321

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discusses our financial position at September 30, 2012, and the results of our operations for the three and nine months ended September 30, 2012 and should be read in conjunction with: (1) the unaudited consolidated condensed financial statements and notes contained herein, and (2) the consolidated financial statements and accompanying notes to our Annual Report on Form 10-K for the fiscal year ended December 31, 2011.

Overview

We were incorporated in 1918 as a successor to businesses that had been engaged in providing construction services since 1894. We provide diversified general contracting, construction management and design-build services to private clients and public agencies throughout the world. Our construction business is conducted through four basic segments or operations: Civil, Building, Specialty Contractors and Management Services. Our Civil segment specializes in public works construction and the repair, replacement and reconstruction of infrastructure, including highways, bridges, mass transit systems and water and wastewater treatment facilities, primarily in the western, northeastern and mid-Atlantic United States. Our Building segment has significant experience providing services to a number of specialized building markets, including the hospitality and gaming, transportation, healthcare, municipal offices, sports and entertainment, educational, correctional facilities, biotech, pharmaceutical and high-tech markets. Our Specialty Contractors segment specializes in plumbing, HVAC, electrical, mechanical, and pneumatically placed concrete for a full range of civil, building and management services construction projects in the industrial, commercial, hospitality and gaming, and transportation end markets, among others. Our Management Services segment provides diversified construction and design-build services to the U.S. military and federal government agencies, as well as surety companies and multi-national corporations in the United States and overseas.

The contracting and management services that we provide consist of general contracting, pre-construction planning and comprehensive management services, including planning and scheduling the manpower, equipment, materials and subcontractors required for the timely completion of a project in accordance with the terms and specifications contained in a construction contract. We also offer self-performed construction services including site work, concrete forming and placement, steel erection, electrical and mechanical, plumbing and HVAC. We provide these services by using traditional general contracting arrangements, such as fixed price, guaranteed maximum price and cost plus fee contracts and, to a lesser extent, construction management or design-build contracting arrangements. In the ordinary course of our business, we enter into arrangements with other contractors, referred to as "joint ventures," for certain construction projects. Each of the joint venture participants is usually committed to supply a predetermined percentage of capital, as required, and to share in a predetermined percentage of the income or loss of the project. Generally, each joint venture participant is fully liable for the obligations of the joint venture.

We believe our leadership position as the contractor of choice for large, complex civil and nonresidential building projects will support our long term backlog growth and provide further visibility into the future earnings of our business. We have capitalized on this leadership position with significant new awards and low bids across each of our segments, including the recently announced award for the Hudson Yards development project, which will be booked into backlog as various phases are released. We expect to continue to leverage our increased self-performance and schedule control capabilities to obtain additional large scale Civil and Building backlog awards in the near term.

For the three months ended September 30, 2012, we recorded revenues of $1,099.4 million, income from construction operations of $54.7 million and net income of $42.6 million, as compared to revenues of $1,166.4 million, income from construction operations of $62.0 million and net income of $35.5 million for the three months ended September 30, 2011. For the nine months ended September 30, 2012, we recorded revenues of $2,997.3 million, loss from construction operations of $282.5 million and net loss of $307.0 million, as compared to revenues of $2,601.6 million, income from construction operations of $117.6 million and net income of $62.1 million for the nine months ended September 30, 2011. Our results of operations for the nine months ended September 30, 2012 were materially impacted by a $376.6 million goodwill and intangible asset impairment charge ($339.2 million after-tax), as discussed in further detail under the Critical Accounting Policies below. We performed an interim impairment test of goodwill and intangible assets during the three months ended June 30, 2012, due to the fact that the Company experienced a sustained decrease in its stock price, causing its market capitalization to be substantially less than its carrying value and its implied control premium to increase beyond the implied control premium that was reconciled in our 2011 annual impairment analysis, and beyond the observable market comparable level. Additionally, deterioration in broader market conditions including recent stock market volatility, particularly in the construction industry, impacted the weighted average cost of capital rate assumptions used in deriving the fair values of our reporting units, which are based primarily on market inputs. Finally, several of our reporting units experienced degradation in the timing of projected cash flows used in deriving the fair values of those reporting units in our 2011 annual impairment analysis caused by delays in the timing of the award and start of new work.

Our volume increased during 2012 primarily due to the contributions from our acquisitions, partially offset by the substantial completion of several successful large public works and hospitality and gaming projects in 2011. Our income from operations and operating margins decreased due to several factors including: the substantial completion of several successful large public works projects in early 2011, the current under absorption of our general and administrative expenses, particularly in our Building segment, as we are starting up several high-quality pending award and prospect projects, and an unfavorable change in new work margin mix. This decrease was partially offset by increases in the estimated recoveries on certain large projects based on changes in facts and circumstances surrounding those projects that occurred during the period and by increased contributions from our 2011 acquisitions. We continue to experience strong contributions from our Specialty Contractors segment, consistent with our strategy of focusing on the growth of our self-performance capabilities. Our Management Services segment is focused on obtaining new work with various U.S. government agencies, including the U.S. military, both domestically and abroad as evidenced by its consistent backlog. Our net income reflects the impacts of a $37.4 million reduction in our provision for income taxes recorded due to the goodwill and intangible asset impairment charges, a $3.6 million increase to our provision for income taxes due to discrete tax adjustments identified in March 2012 as well as a $2.7 million loss on the sale of a portion of our auction rate securities. We also had increased interest expense with our term loan which was entered into in August 2011, and increased amortization of acquisition-related intangible assets.

At September 30, 2012, we had working capital of $638.7 million, a ratio of current assets to current liabilities of 1.48 to 1.00, and a ratio of long-term debt to equity of 0.58 to 1.00 as compared to working capital of $556.8 million, a ratio of current assets to current liabilities of 1.40 to 1.00 and a ratio of long-term debt to equity of 0.44 to 1.00 at December 31, 2011. Our stockholders' equity decreased to $1.1 billion as of September 30, 2012, as compared to $1.4 billion as of December 31, 2011. The increase in our long-term debt to equity ratio and the decrease in our stockholders' equity at September 30, 2012 primarily reflect the impact of the $376.6 million goodwill and intangible asset impairment charge ($339.2 million after tax) recorded during the second quarter of 2012.

To supplement our unaudited consolidated financial statements presented based on accounting principles generally accepted in the United States of America ("GAAP"), we sometimes use non-GAAP measures of income from operations, net income, earnings per share and other measures that we believe are appropriate to enhance an overall understanding of our historical financial performance and future prospects. We are providing these non-GAAP measures to disclose additional information to facilitate the comparison of past and present operations, and they are among the indicators management uses as a basis for evaluating the Company's financial performance as well as for forecasting future periods. For these reasons, management believes these non-GAAP measures can be useful operating performance measures to be considered by investors, potential investors and others. These measures are not intended to replace the presentation of our financial results in accordance with GAAP, and they may not be comparable to other similarly titled measures of other companies.

Reconciliation of Non-GAAP Measures

	Reportable Segments				
	Building	**Civil**	**Specialty Contractors**	**Management Services**	**Consolidated Total [1]**
Three Months Ended September 30, 2012					
Income from Construction Operations					
As reported	$ 20,847	$ 26,280	$ 14,236	$ 2,841	$ 54,676
Plus impairment charge [2]	-	-	-	-	-
Total, excluding discrete items	$ 20,847	$ 26,280	$ 14,236	$ 2,841	$ 54,676

	Reportable Segments				
	Building	**Civil**	**Specialty Contractors**	**Management Services**	**Consolidated Total [1]**
Nine Months Ended September 30, 2012					
Income (Loss) from Construction Operations					
As reported	$ (285,145)	$ 3,381	$ 42,363	$ (10,395)	$ (282,535)
Plus impairment charge [2]	282,608	65,503	11,489	16,974	376,574
Total, excluding discrete items	$ (2,537)	$ 68,884	$ 53,852	$ 6,579	$ 94,039

(1) Consolidated total includes corporate and other general and administrative expenses not impacted by the impairment charge.
(2) During the third quarter of 2012, we completed our evaluation of the key assumptions used in our interim impairment analysis of goodwill and intangible assets with indefinite lives, and concluded that there were no adjustments required to be made to the impairment charges recorded in the second quarter of 2012.

The following table is a reconciliation of reported income (loss) from construction operations, net income (loss), and diluted earnings (loss) per share under GAAP to income from operations, net income and diluted earnings per share during the three and nine months ended September 30, 2012, excluding discrete items. Included in discrete items is the impact of: (i) the $339.2 million after-tax impairment charge, (ii) $3.6 million of discrete tax expense items related to an increase in unrecognized tax benefits and an adjustment, both associated with certain stock-based compensation items identified during the first quarter of 2012, and (iii) a $1.6 million after-tax realized loss on the sale of auction rate securities in the first quarter of 2012.

	For the three months ended September 30, 2012	For the nine months ended September 30, 2012
Reported Net Income (Loss)	$ 42,591	$ (307,035)
Plus: Impairment charge	-	376,574
Less: Tax benefit provided on impairment charge	(16,771)	(37,424)
Plus: Realized loss on sale of investments	-	2,699
Less: Tax benefit provided on realized loss	-	(1,057)
Plus: Discrete tax adjustments	-	3,649
Net Income, excluding discrete items	$ 25,820	$ 37,406
Reported diluted earnings (loss) per common share	$ 0.88	$ (6.47)
Plus (Minus): Impairment charge, net of tax benefit	(0.34)	7.14
Discrete tax adjustments	-	0.08
Plus: Realized loss on sale of investments	-	0.03
Diluted earnings (loss) per common share, excluding discrete items	$ 0.54	$ 0.78

Recent Developments

Backlog of $5.6 Billion and Recent Pending Awards

Our backlog of uncompleted construction work at September 30, 2012 was approximately $5.6 billion compared to $6.1 billion at December 31, 2011. During the three months ended September 30, 2012 we converted a number of pending awards into backlog across each of our business segments, and we had adjustments to existing contracts. Significant awards included a $181 million hospitality and gaming project, a $73 million educational facility, and a $63 million stadium renovation project. In addition, we have significant pending contract awards, including projects such as the Hudson Yards development, low bids on civil mass transit and bridge projects and various specialty contracts that we anticipate will enter into backlog in the near future as the contracts for these projects are executed. We are continuing to track several large scale civil and building prospects for both public and private sector customers as we continue to leverage our self-performance and schedule control capabilities.

(dollars in millions)	Backlog at December 31, 2011	New Business Awarded [1]	Revenues Recognized	Backlog at September 30, 2012
Building	$ 2,248.9	$ 990.5	$ (1,062.1)	$ 2,177.3
Civil	2,222.2	366.6	(919.4)	1,669.4
Specialty Contractors	1,371.5	900.1	(858.6)	1,413.0
Management Services	265.7	185.4	(157.2)	293.9
Total	$ 6,108.3	$ 2,442.6	$ (2,997.3)	$ 5,553.6

(1) New business awarded consists of the original contract price of projects added to our backlog plus or minus subsequent changes to the estimated total contract price of existing changes.

Critical Accounting Policies

Our significant accounting policies are described in Note 1 of Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2011. Our critical accounting policies are also identified and discussed in Item 7 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2011. During the nine months ended September 30, 2012, we adopted the following accounting pronouncements that were issued in 2011:

In May 2011, the Financial Accounting Standard Board ("FASB") issued a staff position amending existing guidance for fair value measurements and disclosures in both interim and annual financial statements. This update expands the disclosures for fair value measurements that are estimated using significant unobservable (Level 3) inputs. Other than requiring additional disclosures, adoption of this update has not had a material effect on our consolidated financial statements.

In June 2011, the FASB issued a staff position which requires an entity to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income, or in two separate but consecutive statements. This update eliminates the option to present components of other comprehensive income as part of the statement of equity. The adoption of this update has not had a material effect on our consolidated financial statements.

In September 2011, the FASB issued a staff position that gives an entity the option to make a qualitative evaluation about the likelihood of goodwill impairment. An entity that adopts this option will be required to perform the two-step impairment test only if it concludes that the fair value of a reporting unit is more likely than not less than its carrying value. On January 1, 2012, we adopted this option. The adoption of this option has not had a material effect on our consolidated financial statements, but it may impact the manner in which we perform testing for goodwill impairment.

In July 2012, the FASB issued a staff position that gives an entity the option to make a qualitative evaluation about the likelihood of indefinite-lived intangible asset impairment. An entity that adopts this option will be required to perform the quantitative test only if it concludes that the fair value of the indefinite-lived intangible asset is more likely than not less than its carrying value. The effective date is for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012. We do not expect the adoption of this option to have a material effect on our consolidated financial statements, but it may impact the manner in which we perform testing for indefinite-lived intangible asset impairment.

Impairment of goodwill and intangible assets -We test goodwill and intangible assets with indefinite lives for impairment by applying a fair value test in the fourth quarter of each year and between annual tests if events occur or circumstances change which suggest that the goodwill or intangible assets should be evaluated. Intangible assets with finite lives are also tested for impairment whenever events or circumstances indicate that the carrying value may not be recoverable. During the second quarter of 2012, the Company experienced a sustained decrease in its stock price, causing its market capitalization to be substantially less than its carrying value and its implied control premium to increase beyond the implied control premium that was reconciled in its 2011 annual impairment analysis, and beyond the observable market comparable level. Additionally, deterioration in broader market conditions including stock market volatility, particularly in the construction industry, impacted the weighted average cost of capital rate assumptions used in deriving the fair values of our reporting units, which are based primarily on market inputs. Finally, several of our reporting units experienced degradation in the timing of projected cash flows used in deriving the fair values of those reporting units in our 2011 annual impairment analysis caused by delays in the timing of awards and start of new work that we anticipated would enter into backlog in the first half of 2012, and a general decrease in profit margins on new work awards that were factored into our forecast assumptions.

In the Building reporting unit, the most significant decrease in estimated new work cash flow was the result of political decisions that negatively impacted the advance of a large project for an existing customer. In addition, we observed an unfavorable change in the margin mix of new work obtained in the first half of 2012 compared with prior years. The majority of the new work awards in the first half of 2012 as well as the near term new work prospects were comprised of lower margin private client work and not the higher margin public works the Building reporting unit completed in the past. The projected cash flows for the Building reporting unit as of June 30, 2012 took into consideration the changes in assumptions on new work awards and unfavorable change in margin mix, consistent with its actual results in the first half of 2012.

In the Civil reporting unit, the fourth quarter of 2011 valuation anticipated the award and start and/or ramp-up of a number of projects during 2012. Many of these projects were delayed for several reasons including political pressures, timing of funding, and general economic concerns. The change in estimated timing of recent awards and resulting ramp-up of production resulted in deterioration in anticipated future cash flows from fourth quarter of 2011 expectations. The projected cash flows for the Civil reporting unit as of June 30, 2012 took into consideration the change in estimated timing of award and ramp-up of new work.

Within the Management Services reporting unit valuation for the fourth quarter of 2011, cash flow projections included the anticipated ramp-up of work associated with the movement of Pacific Marine Corps operations from the island of Okinawa to the island of Guam. During April 2012, United States bipartisan legislators were unable to come to agreement on government spending cuts and certain government projects were suspended. This left doubt around the timing and magnitude of the proposed move. The projected cash flows for the Management Services reporting unit as of June 30, 2012 took into consideration the uncertainty of timing surrounding the significant projects with the Pacific Marine Corps on the island of Guam.

Based on these circumstances and events, we performed an interim goodwill and indefinite lived intangible asset impairment test as of June 30, 2012 and, as a result, we recorded a goodwill impairment charge of $321.1 million and an indefinite lived intangible assets impairment charge of $16.4 million in the second quarter of 2012. We also evaluated our finite lived tangible and intangible assets due to the degradation in the timing of projected cash flows since our 2011 impairment analysis and changes in the planned use of certain intangible assets, and this analysis resulted in a $39.1 million impairment charge on our finite lived intangible assets in the second quarter of 2012. These non-cash charges did not impact our overall business operations.

The first step in the two-step process of the impairment analysis was to determine the fair value of the Company and each of its reporting units and compare the fair value of each reporting unit to its carrying value. If the carrying value of the reporting unit exceeded its fair value, a second step was followed to calculate the goodwill impairment. The second step involved determining the fair value of the individual assets and liabilities of the reporting unit that failed the first step and calculating the implied fair value of goodwill. To determine the fair value of the Company and each of its reporting units, we utilized both an income-based valuation approach as well as a market-based valuation approach. The income-based valuation approach was based on the cash flows that the reporting unit expected to generate in the future and required us to project revenues, operating expenses, working capital investment, capital spending and cash flows for the reporting unit in a discrete period, as well as to determine the weighted average cost of capital to be used as a discount rate and a terminal value growth rate for the non-discrete period. The market-based valuation approach to estimate the fair value of our reporting units utilized industry multiples of revenues and operating earnings. We equally weighted the fair values calculated under the income-based and market-based valuation approaches in arriving at the concluded fair values of our reporting units.

As part of the valuation process, the aggregate fair value of the Company was compared to its market capitalization at the valuation date in order to determine the implied control premium. The implied control premium was then compared to the control premiums paid in recent transactions within the industry. The Company's implied market control premium of 78.1% and 42.5%, as of the fourth quarter of 2011 and the second quarter of 2012 valuation, respectively, were determined to be in an acceptable range of market transactions observed in the construction and engineering industry in the past seven years.

As part of the review process for the reporting unit valuations, we created multiple income-based and market-based valuation models to understand the sensitivity of the variables used in determining the fair value. These models were reviewed with our external fair value specialists who assisted in the process by providing insight into acceptable ranges on various valuation assumptions as well as preferred valuation techniques.

Impairment assessment inherently involves management judgments as to the assumptions used to project these amounts and the impact of market conditions on those assumptions. The key assumptions that we used to estimate the fair value of our reporting units under the income-based approach were as follows:

- Weighted average cost of capital used to discount the projected cash flows;
- Cash flows generated from existing and new work awards; and
- Projected operating margins.

Weighted average cost of capital rates used to discount the projected cash flows were developed via the capital asset pricing model which is primarily based upon market inputs. We used discount rates that management felt were an accurate reflection of the risks associated with the forecasted cash flows of our respective reporting units. Weighted average cost of capital inputs ranged from 15% -16.5% for our reporting units. As discussed above, since our 2011 annual impairment analysis, the weighted average cost of capital rates were impacted by broader market conditions including the recent stock market volatility, particularly in the construction industry.

To develop the cash flows generated from new work awards and future operating margins, we tracked prospective work for each of our reporting units primarily on a project-by-project basis as well as the estimated timing of when the work would be bid or prequalified, started and completed. We also gave consideration to our relationships with the prospective owners, the pool of competitors that were capable of performing large, complex work, changes in business strategy, and our history of success in winning new work in each reporting unit. With regard to operating margins, we gave consideration to our historical reporting unit operating margins in the end markets that the prospective work opportunities were most significant, current market trends in recent new work procurement, and changes in business strategy.

Similar to previous valuations, we noted that small changes to valuation assumptions could have a significant impact on the concluded value; however, we gained comfort over the assumptions selected for our valuation through comparison to historical transaction benchmarks, third party industry expectations, and our previous models.

We also estimated the fair value of our reporting units under a market-based approach by applying industry-comparable multiples of revenues and operating earnings to our reporting units' projected performance. The conditions and prospects of companies in the construction industry depend on common factors such as overall demand for services.

Changes in our assumptions or estimates could materially affect the determination of the fair value of a reporting unit. Such changes in assumptions could be caused by:

- Terminations, suspensions, reductions in scope or delays in the start up of the revenues and cash flows from backlog as well as the prospective work tracked;
- Reductions in available government, state and local agencies and non-residential private industry funding and spending;
- Our ability to effectively compete for new work and maintain and grow market penetration in the regions that we operate in;

- Our ability to successfully control costs, work schedule, and project delivery; or

- Broader market conditions, including stock market volatility in the construction industry and its impact on the weighted average cost of capital assumption.

With regard to our reporting units, the carrying values of our Building, Civil and Management Services reporting units were greater than their fair values, and as such, we performed the second step of the goodwill impairment test for these reporting units which resulted in goodwill impairments as discussed above. In this second step, we determined the fair value of the individual assets and liabilities of the reporting units that failed Step 1 and calculated the implied fair value of goodwill for those reporting units. We included in this calculation the valuation of assets and liabilities that would occur in a theoretical purchase price allocation of the reporting unit in accordance with the Financial Accounting Standards Board's (the "FASB") Accounting Standards Codification ("ASC") 805 – *Business Combinations*, as well as the value of backlog, trade name, and customer relationships and the impact of deferred tax liabilities and assets arising from the fair valuation of these assets and liabilities.

The fair value of our Specialty Contractors reporting unit substantially exceeded its carrying value, and as such, it was not necessary to perform the second step of the goodwill impairment test for this reporting unit.

In conducting the initial step of our goodwill evaluation, we also evaluated our finite lived tangible and intangible assets due to the degradation in the timing of projected cash flows since our 2011 impairment analysis and changes in the planned use of certain intangible assets. We compared the fair value of the finite lived tangible and intangible assets to their carrying value and determined that the carrying value of a portion of these assets exceeded their fair value as determined by the income-based valuation approach and by benchmarking against observable market prices. This income-based valuation approach involved key assumptions similar to those used in the goodwill impairment analysis for our reporting units as discussed above, (e.g. projections of future cash flows associated with our trade name, contractor license, customer relationship and contract backlog intangible assets that were recorded in previous acquisitions). This analysis resulted in an impairment charge of $39.1 million associated with our finite lived intangible assets.

During the third quarter of 2012, we completed our evaluation of the key assumptions used in our interim impairment analysis of goodwill and intangible assets with indefinite lives, and concluded that there were no adjustments required to be made to the impairment charges recorded in the second quarter of 2012.

Changes in estimates- We recognize revenues from our contracts under the percentage of completion method. In the ordinary course of business, and at a minimum on a quarterly basis, we update projected total contract revenue, cost and profit or loss for each of our contracts based on changes in facts, such as an approved scope change, and changes in estimates. Normal, recurring changes in estimates include, but are not limited to: (i) changes in estimated scope as a result of unapproved or unpriced customer change orders; (ii) changes in estimated productivity assumptions based on experience to date; (iii) changes in estimated materials costs based on experience to date; (iv) changes in estimated subcontractor costs based on subcontractor buyout experience; (v) changes in the timing of scheduled work that may impact future costs; (vi) achievement of incentive income; and (vii) changes in estimated recoveries through the settlement of litigation. During the three months ended September 30, 2012, our results of operations were impacted by a $12.4 million increase in the estimated recovery projected for a large hospitality and gaming project which was primarily driven by changes in cost recovery assumptions based on evidence presented during the period. Excluding the discrete items that impacted our estimated tax rate, this change in estimate resulted in a $12.4 million increase in our income from construction operations, a $7.2 million increase in our net income and a $0.15 increase in our diluted earnings per common share during the three and nine months ended September 30, 2012. This change was the only change in estimate considered material to our results of operations during the periods presented herein.

Results of Operations

Comparison of the Third Quarter Ended September 30, 2012 with the Third Quarter Ended September 30, 2011

During the third quarter of 2012, we recorded revenues of $1,099.4 million, income from construction operations of $54.7 million and a net income of $42.6 million as compared to revenues of $1,166.4 million, income from construction operations of $62.0 million and net income of $35.5 million during the third quarter of 2011. Basic and diluted earnings per common share for the third quarter of 2012 were $0.90 and $0.88, respectively, as compared to basic and diluted earnings per common share of $0.75 and $0.74, respectively, for the same period in 2011. Excluding the impact of the discrete items discussed above, we would have had net income of $25.8 million and diluted earnings per common share of $0.54 for the third quarter of 2012.

	Revenues for the Three months ended September 30,			
(dollars in millions)	2012	2011	$ Change	% Change
Building	$ 391.0	$ 493.8	$ (102.8)	(20.8)%
Civil	346.3	276.8	69.5	25.1%
Specialty Contractors	315.3	335.9	(20.6)	(6.1)%
Management Services	46.8	59.9	(13.1)	(21.9%)
Total	$ 1,099.4	$ 1,166.4	$ (67.0)	(5.7)%

Building segment revenues decreased by $102.8 million (or 20.8%), from $493.8 million during the third quarter of 2011 to $391.0 million during the third quarter of 2012 due primarily to the completion of a large, successful public works project and large hospitality and gaming projects. These decreases were partially offset by increased activity in healthcare and office facility projects and a hospitality and gaming project.

Civil segment revenues increased by $69.5 million (or 25.1%), from $276.8 million during the third quarter of 2011 to $346.3 million during the third quarter of 2012, due primarily to increased activity in certain tunnel projects on the West Coast and several highway and bridge projects on the East Coast and Midwest that were awarded in 2011 and early 2012. These increases were partially offset by the substantial completion of a large transportation project.

Specialty Contractors segment revenues decreased by $20.6 million (or 6.1%), from $335.9 million during the third quarter of 2011 to $315.3 million during the third quarter of 2012 due primarily to the substantial completion of several specialty subcontracts for a large hospitality and gaming project in 2011 partially offset by the start up of new work in 2012.

Management Services segment revenues decreased by $13.1 million (or 21.9%), from $59.9 million during the third quarter of 2011 to $46.8 million during the third quarter of 2012 due primarily to the substantial completion of an overhead coverage project in Iraq in 2011 and reduced activity on a task order contract for containerized housing in southern Iraq.

(dollars in millions)	Income (Loss) from Construction Operations for the Three months ended September 30, 2012	2011	$ Change	% Change
Building	$ 20.9	$ 8.9	$ 12.0	134.8%
Civil	26.3	23.8	2.5	10.5%
Specialty Contractors	14.2	33.1	(18.9)	(57.1)%
Management Services	2.8	5.4	(2.6)	(48.2)%
Corporate	(9.5)	(9.2)	(0.3)	(3.3)%
Total	$ 54.7	$ 62.0	$ (7.3)	(11.8)%

Building segment income from construction operations increased by $12.0 million (or 134.8%), from $8.9 million during the third quarter of 2011 to $20.9 million during the third quarter of 2012 due primarily to increases in the estimated recoveries on certain large hospitality and gaming, healthcare, and condominium projects based on changes in facts and circumstances surrounding those projects that occurred during the period. Our Building segment income from construction operations and operating margins were also impacted by efficiencies realized on certain healthcare facility projects. These increases were offset by declines in income from operations due to the decline in revenues discussed above.

Civil segment income from construction operations increased by $2.5 million (or 10.5%), from $23.8 million during the third quarter of 2011 to $26.3 million during the third quarter of 2012, due primarily to the increased volume discussed above. This increase was partly offset by a decline in operating margin due primarily to the substantial completion of several successful public works projects on the East Coast in 2011 and legal costs incurred during the period on projects where we are actively pursuing recovery.

Specialty Contractors segment income from construction operations decreased by $18.9 million (or 57.1%), from $33.1 million during the third quarter of 2011 to $14.2 million during the third quarter of 2012 due primarily to the favorable performance and successful close out of several projects in 2011 as well as the decline in revenues discussed above.

Management Services segment income from construction operations decreased by $2.6 million (or 48.2%), from $5.4 million during the third quarter of 2011 to $2.8 million during the third quarter of 2012 due primarily to the favorable close out of certain U.S. military facilities in Iraq in 2011.

Corporate general and administrative expenses were relatively flat at $9.5 million during the third quarter of 2012 compared to $9.2 million during the third quarter of 2011.

Consolidated Other Income (Expense), net, Interest Expense and Provision for Income Taxes

(dollars in millions)	September 30, 2012	September 30, 2011	$ Change	% Change
Three months ended				
Other Income (Expense), net	$ 0.5	$ 5.9	$ (5.4)	(91.5)%
Interest Expense	(11.0)	(11.6)	0.6	(5.2)%
Provision for Income Taxes	(1.6)	(20.9)	19.3	*NM*

**NM – Not Meaningful*

Other income (expense), net decreased by $5.4 million from $5.9 million during the third quarter of 2011 to $0.5 million during the third quarter of 2012 due primarily to the bargain purchase gain of approximately $4.0 million recorded on the acquisition of Frontier-Kemper in the third quarter of 2011. Interest expense remained relatively flat at $11.0 million during the third quarter of 2012 compared to $11.6 million during the third quarter of 2011. Income tax expense decreased by $19.3 million to $1.6 million during the third quarter of 2012 compared to $20.9 million during the third quarter of 2011 due primarily to the impact of the impairment charge discussed above which resulted in a $16.8 million reduction in our provision for income taxes in 2012. We anticipate our effective tax rate to approximate 3.9% for the remainder of 2012 primarily due to the impairment charge.

Comparison of the Nine Months Ended September 30, 2012 with the Nine Months Ended September 30, 2011

During the nine months ended September 30, 2012, we recorded revenues of $2,997.3 million, loss from construction operations of $282.5 million and a net loss of $307.0 million as compared to revenues of $2,601.6 million, income from construction operations of $117.6 million and net income of $62.1 million during the nine months ended September 30, 2011. Basic and diluted loss per common share for the nine months ended September 30, 2012 were $6.47 and $6.47, respectively, as compared to basic and diluted earnings per common share of $1.32 and $1.30, respectively, for the nine months ended September 30, 2011. Excluding the impact of the discrete items discussed above, we would have had income from construction operations and net income of $94.0 million and $37.4 million, respectively, and diluted earnings per common share of $0.78 for the nine months ended September 30, 2012.

	Revenues for the Nine months ended September 30,			
(dollars in millions)	2012	2011	$ Change	% Change
Building	$ 1,062.1	$ 1,379.6	$ (317.5)	(23.0)%
Civil	919.4	548.3	371.1	67.7%
Specialty Contractors	858.6	514.8	343.8	66.8%
Management Services	157.2	158.9	(1.7)	(1.1)%
Total	$ 2,997.3	$ 2,601.6	$ 395.7	15.2%

Building segment revenues decreased by $317.5 million (or 23.0%), from $1,379.6 million during the nine months ended September 30, 2011 to $1,062.1 million during the same period in 2012 due primarily to the completion of a large, successful public works project and large hospitality and gaming projects. These decreases were partially offset by the acquisition of Anderson Companies ("Anderson"), which contributed approximately $336.2 million to 2012 revenues, an increase of $117.6 million from its contributions of $218.6 million to 2011 revenues, as well as increased activity in certain healthcare facility, office facility, and courthouse projects.

Civil segment revenues increased by $371.1 million (or 67.7%), from $548.3 million during the nine months ended September 30, 2011 to $919.4 million during the same period in 2012 due primarily to the acquisitions of Frontier-Kemper, Lunda and Becho in mid-2011 which contributed approximately $454.1 million to 2012 revenues in the aggregate, an increase of $300.9 million from their contributions of $153.2 million to 2011 revenues. Civil segment revenues also increased due to increased activity in certain tunnel projects on the West Coast and several highway and bridge projects on the East Coast and Midwest that were awarded in 2011 and early 2012.

Specialty Contractors segment revenues increased by $343.8 million (or 66.8%), from $514.8 million during the nine months ended September 30, 2011 to $858.6 million during the same period in 2012, due primarily to the acquisition of FSE, WDF and Nagelbush in mid-2011 which contributed approximately $605.6 million to 2012 revenues in the aggregate, an increase of approximately $356.5 million from their contributions of $249.1 million to 2011 revenues.

Management Services segment revenues remained relatively flat at $157.2 million during the nine months ended September 30, 2012 compared to $158.9 million during the same period in 2011.

(dollars in millions)	Income (Loss) from Construction Operations for the Nine months ended September 30, 2012	2011	$ Change	% Change
Building before impairment charge	$ (2.5)	$ 43.7	$ (46.2)	(105.7)%
Impairment charge	(282.6)	-	(282.6)	
Building, net	(285.1)	43.7	(328.8)	NM
Civil before impairment charge	68.9	51.7	17.2	33.3%
Impairment charge	(65.5)	-	(65.5)	
Civil, net	3.4	51.7	(48.3)	NM
Specialty Contractors before impairment charge	53.8	35.8	18.0	50.3%
Impairment charge	(11.5)	-	(11.5)	
Specialty Contractors, net	42.3	35.8	6.5	NM
Management Services before impairment charge	6.6	14.6	(8.0)	(54.8)%
Impairment charge	(17.0)	-	(17.0)	
Management Services, net	(10.4)	14.6	(25.0)	NM
Corporate	(32.7)	(28.2)	(4.5)	16.0%
Total, net	$ (282.5)	$ 117.6	$ (400.1)	NM

**NM – Not Meaningful*

The following discussion of income from construction operations during the nine months ended September 30, 2012 and 2011 has been prepared on a pre-impairment charge basis in order to enable users of this information to better compare normal operating results of each segment between the two periods. Since the impairment charge impacts 2012 only and does not affect revenues, cost of revenues or general expenses we incur to conduct our day-to-day construction operations, management believes the following discussion, analysis and comparison of year-to-date 2012 and 2011 operating results is more meaningful to users when prepared on a pre-impairment charge basis.

Building segment income from construction operations on a pre-impairment charge basis decreased $46.2 million (or 105.7%), from income of $43.7 million during the nine months ended September 30, 2011 to a loss of $2.5 million during the same period in 2012 due primarily to the decline in volume discussed above, sustained general and administrative expenses as we awaited the start up of several large pending projects, the favorable close out of certain projects in 2011, and certain unrecoverable costs incurred on an educational facility in 2012. Our Building segment operating margins have also been impacted by an underlying change in mix of work from public to the more competitive private market. These decreases were offset by efficiencies realized on certain healthcare facility projects and an increase in estimated recoveries on certain large hospitality and gaming, and healthcare projects based on changes in facts and circumstances surrounding those projects that occurred during the period.

Civil segment income from construction operations on a pre-impairment charge basis increased by $17.2 million (or 33.3%), from $51.7 million during the nine months ended September 30, 2011 to $68.9 million during the same period in 2012 due primarily to the contributions from our acquisitions discussed above of approximately $34.3 million (net of intangible assets amortization), an increase of $22.2 million from their contributions of $12.1 million to 2011 income from construction operations, as well as the increased volume discussed above. This increase was partly offset by a decline in operating margin due primarily to the substantial completion and favorable close out of certain successful public works projects on the East Coast in 2011.

Specialty Contractors segment income from construction operations on a pre-impairment charge basis increased by $18.0 million (or 50.3%), from $35.8 million during the nine months ended September 30, 2011 to $53.8 million during the same period in 2012 due primarily to the acquisitions discussed above which contributed approximately $47.2 million in income from construction operations (net of intangible assets amortization) in the aggregate, an increase of $19.1 million from their contributions of $28.1 million to 2011 income from construction operations.

Management Services segment income from construction operations on a pre-impairment charge basis decreased by $8.0 million (or 54.8%), from $14.6 million during the nine months ended September 30, 2011 to $6.6 million during the same period in 2012, due primarily to the favorable close out of certain projects in Iraq in 2011.

Corporate general and administrative expenses increased by $4.5 million (or 16.0%) from $28.2 million during the nine months ended September 30, 2011 to $32.7 million during the same period in 2012 due primarily to increased expenses associated with integration and system conversion activities and a change in the methodology of allocating corporate expenses to our segments.

Consolidated Other Income (Expense), net, Interest Expense and Benefit (Provision) for Income Taxes

(dollars in millions)	September 30, 2012	September 30, 2011	$ Change	% Change
Nine months ended				
Other (Expense) Income, net	$ (0.7)	$ 6.6	$ (7.3)	(110.6)%
Interest Expense	(32.7)	(26.0)	(6.7)	25.8%
Benefit (Provision) for Income Taxes	8.9	(36.2)	$ 45.1	*NM*

**NM – Not Meaningful*

Other (expense) income, net decreased from income of $6.6 million during the nine months ended September 30, 2011 to an expense of $0.7 million during the same period in 2012, due primarily to a loss of approximately $2.7 million on the sale of a portion of our auction rate securities in the first quarter of 2012, and the bargain purchase gain of approximately $4.0 million recorded on the acquisition of Frontier-Kemper in the third quarter of 2011. Interest expense increased by $6.7 million from $26.0 million during the nine months ended September 30, 2011 to $32.7 million during the same period in 2012 due primarily to interest expense on our term loan which was entered into in August 2011. We had an income tax benefit of $8.9 million during the nine months ended September 30, 2012 as compared to an expense of $36.2 million during the same period in 2011. This change was due primarily to the impairment charge discussed above, which resulted in a $37.4 million reduction in our provision for income taxes in 2012. We anticipate our effective tax rate to approximate 3.9% for the remainder of 2012, primarily due to the impairment charge.

Liquidity and Capital Resources

Cash and Working Capital

At September 30, 2012 and December 31, 2011, cash held by us and available for general corporate purposes was $70.1 million and $109.2 million, respectively. Our proportionate share of cash held by joint ventures and available only for joint venture-related uses, including distributions to joint venture partners, was $110.7 million and $95.1 million at September 30, 2012 and December 31, 2011, respectively, and our restricted cash was $38.7 million and $35.4 million at September 30, 2012 and December 31, 2011, respectively. We do not believe that it is likely we will be called upon to contribute significant additional capital in the event of default by any of our partners.

We require each partner in the joint ventures in which we participate to accept joint and several responsibility for all obligations of the joint venture. Prior to forming a joint venture, we conduct a thorough analysis of the prospective partner to determine its capabilities, specifically relating to construction expertise, track record for delivering a quality product on time, reputation in the industry, as well as financial strength and available liquidity. We utilize a number of resources to verify a potential joint venture partner's financial condition, including credit rating reports and financial information contained in its audited financial statements. We specifically review a potential partner's available liquidity and bonding capacity. In the event we are concerned with the financial viability of a potential partner, we will require substantial initial cash contributions upon inception of the joint venture to mitigate the risk that we would be required to cover a disproportionate share of the joint venture's future cash needs.

The majority of our joint venture contracts are for various government agencies that typically require the joint venture and/or our partners to complete a thorough pre-qualification process. This pre-qualification process typically includes the verification of each partner's financial condition and capacity to perform the work, as well as the issuance of performance bonds by surety companies who also independently verify each partner's financial condition.

A summary of cash flows for each of the nine months ended September 30, 2012 and 2011 is set forth below:

	Nine Months Ended September 30,	
(in millions)	2012	2011
Cash flows from:		
Operating activities	$ (27.9)	$ (125.0)
Investing activities	(9.2)	(370.8)
Financing activities	13.7	297.7
Net decrease in cash	(23.4)	(198.1)
Cash at beginning of year	204.2	471.4
Cash at end of period	$ 180.8	$ 273.3

During the nine months ended September 30, 2012, we used $27.9 million in cash to fund operating activities, primarily due to the timing of collections in the Building segment and cash payments for interest on our outstanding debt and income taxes. We used $9.2 million in cash from investing activities, due primarily to purchase construction equipment, offset by the proceeds from the sales of several of our auction rate securities and construction equipment. We received $13.7 million in cash from financing activities, primarily due to borrowings under our revolving facility offset by cash used for scheduled debt repayments and business acquisition related payments.

At September 30, 2012, we had working capital of $638.7 million, a ratio of current assets to current liabilities of 1.48 to 1.00, and a ratio of long-term debt to equity of 0.58 to 1.00 as compared to working capital of $556.8 million, a ratio of current assets to current liabilities of 1.40 to 1.00 and a ratio of long-term debt to equity of 0.44 to 1.00 at December 31, 2011. Our stockholders' equity decreased to $1.1 billion as of September 30, 2012, compared to $1.4 billion as of December 31, 2011. The increase in our long-term debt to equity ratio and the decrease in our stockholders' equity at September 30, 2012 primarily reflect the impact of the $376.6 million goodwill and intangible asset impairment charge ($339.2 million after tax) recorded during the nine months ended September 30, 2012.

Long-term Investments

At September 30, 2012, we had investments in auction rate securities ("ARS") of $46.3 million, which are reflected at fair value. Our investment policy is to manage our assets to achieve our goals of preserving principal, maintaining adequate liquidity at all times, and maximizing returns subject to our investment guidelines. The current overall liquidity concerns in capital markets have affected our ability to liquidate many of our investments in ARS. As such, we classified our ARS as "available-for-sale" Long-term Investments. Based on our ability to access our cash equivalent investments and our available revolving facility, we do not expect that the short-term lack of liquidity of our ARS investments will materially affect our overall liquidity position or our ability to execute our current business plan. During the nine months ended September 30, 2012, we received approximately $16.6 million in proceeds from the sale of certain of our ARS holdings. For a description of our accounting for our ARS, see Note 5 – *Fair Value Measurements* to Consolidated Condensed Financial Statements.

Long-term Debt

On August 2, 2012, we entered into a First Amendment (the "First Amendment") to its Fifth Amended and Restated Credit Agreement (the "Credit Agreement") entered into on August 3, 2011 as Borrower, with Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer (the "Lender"). The First Amendment modifies the financial covenants under the Credit Agreement to allow for more favorable minimum net worth, minimum fixed charge and maximum leverage ratios for us and also to add several new financial covenants including minimum liquidity and a consolidated senior leverage ratio. The First Amendment also increases the sublimit for letters of credit from $50 million to $150 million.

Under the First Amendment, the minimum net worth covenant is modified such that the consolidated net worth cannot be less than the sum of: (i) 85% of the consolidated net worth as of March 31, 2012 less the actual goodwill and intangible assets impairment charge taken on or before September 30, 2012, not to exceed $450.0 million; (ii) an amount equal to 50% of net income for each fiscal quarter ending after June 30, 2012 (with no deduction for net losses); and (iii) an amount equal to 100% of the aggregate amount of all equity issuances after June 30, 2012 that increase stockholder's equity. The minimum fixed charge ratio covenant is modified such that the minimum fixed charge ratio shall not be less than 1.00 to 1.00 for the quarterly periods ending September 30, 2012 and December 31, 2012, 1.10 to 1.00 for the quarterly periods ending March 31, 2013 and June 30, 2013, and 1.25 to 1.00 for the quarterly periods ending September 30, 2013 and thereafter. The consolidated leverage ratio covenant is modified such that the consolidated leverage ratio shall not be greater than 4.25 to 1.00 for the quarterly periods ending September 30, 2012 through March 31, 2013, 3.75 to 1.00 for the quarterly periods ending June 30, 2013 through December 31, 2013, 3.25 to 1.00 for the quarterly periods ending March 31, 2014 through September 30, 2014 and 2.75 to 1.00 for the quarterly periods ending December 31, 2014 and thereafter. The First Amendment allows for an add-back to EBITDA of up to $ 450.0 million for any goodwill and intangible asset impairment charges that impact the ratios for all fiscal quarters through March 31, 2013.

The First Amendment also modifies the applicable interest rates for amounts outstanding under the credit facility as well as the quarterly fees per annum for the unused portion of the credit facility. As of the filing date of this Form 10-Q, we are in compliance and expect to continue to be in compliance with the modified financial covenants under the First Amendment.

We had $70.0 million in outstanding borrowings under our revolving facility as of September 30, 2012, and we utilized the revolving facility for outstanding letters of credit in the amount of $0.2 million. Accordingly, at September 30, 2012, we had $229.8 million available to borrow under our credit agreement. We believe that our financial position and credit arrangements are sufficient to support our current backlog and anticipated new work.

Long-term debt, excluding current maturities of $63.8 million, was $636.9 million at September 30, 2012, an increase of $24.4 million from $612.5 million at December 31, 2011 primarily due to outstanding borrowings on our revolving facility. Our long-term debt to equity ratio increased to 0.58 at September 30, 2012, from 0.44 at December 31, 2011, primarily due to our goodwill and intangible asset impairment charge recorded during the period.

There were no other material changes in our contractual obligations as of September 30, 2012.

Off-Balance Sheet Arrangements

We do not have any financial partnerships with unconsolidated entities, such as entities often referred to as structured finance, special purpose entities or variable interest entities which are often established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. Accordingly, we are not exposed to any financing, liquidity, market or credit risk that could arise if we had such relationships.

Dividends

There were no cash dividends declared or paid on our outstanding common stock during the nine months ended September 30, 2012.

Forward-looking Statements

The statements contained in this Management's Discussion and Analysis of the Consolidated Condensed Financial Statements on Form 10-Q that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including without limitation, statements regarding our management's expectations, hopes, beliefs, intentions or strategies regarding the future. These forward-looking statements are based on our current expectations and beliefs concerning future developments and their potential effects on us. There can be no assurance that future developments affecting us will be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to:

- our ability to win new contracts and convert backlog into revenue;
- our ability to successfully and timely complete construction projects;
- our ability to realize the anticipated economic and business benefits of our acquisitions and our strategy to assemble and operate a Specialty Contractors business segment;
- the potential delay, suspension, termination or reduction in scope of a construction project;
- the continuing validity of the underlying assumptions and estimates of total forecasted project revenues, costs and profits and project schedules;
- the outcomes of pending or future litigation, arbitration or other dispute resolution proceedings;
- the availability of borrowed funds on terms acceptable to us;
- the ability to retain certain members of management;
- the ability to obtain surety bonds to secure our performance under certain construction contracts;
- possible labor disputes or work stoppages within the construction industry;
- changes in federal and state appropriations for infrastructure projects and the impact of changing economic conditions on federal, state and local funding for infrastructure projects;
- possible changes or developments in international or domestic political, social, economic, business, industry, market and regulatory conditions or circumstances;
- actions taken or not taken by third parties including our customers, suppliers, business partners, and competitors and legislative, regulatory, judicial and other governmental authorities and officials; and
- other risks and uncertainties discussed under the heading "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2011 filed with the Securities and Exchange Commission on March 2, 2012.

We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There has been no material change in our exposure to market risk from that described in Item 7A of our Annual Report on Form 10-K for the year ended December 31, 2011, filed with the Securities and Exchange Commission on March 2, 2012.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

As required by Rule 13a-15(b) under the Securities Exchange Act of 1934 (the "Exchange Act"), as of the end of the period covered by this report, we carried out an evaluation under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). In designing and evaluating our disclosure controls and procedures, we recognize that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management necessarily was required to apply its judgment in evaluating and implementing possible controls and procedures. The effectiveness of our disclosure controls and procedures is necessarily limited by the staff and other resources available to us and, although we have designed our disclosure controls and procedures to address the geographic diversity of our operations, this diversity inherently may limit the effectiveness of those controls and procedures. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Controls Over Financial Reporting

There was no change in our internal control over financial reporting that occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. As part of our integration of our recent acquisitions, we have substantially completed the process of incorporating our controls and procedures into the operations of these newly acquired entities.

In connection with Rule 13a-15(b) under the Securities Exchange Act of 1934, we will continue to review and assess the adequacy of our disclosure controls and procedures, including our internal control over financial reporting, and may from time to time make changes aimed at enhancing their effectiveness and to ensure that our systems evolve with our business.

Part II. - Other Information

Item 1. Legal Proceedings

From time to time in the ordinary course of business, we are subject to claims, asserted or unasserted, or named as a party to lawsuits or investigations. Litigation can be expensive and disruptive to normal business operations. Moreover, the results of legal proceedings cannot be predicted with any certainty and, in the case of more complex legal proceedings, the results are difficult to predict at all. We disclosed information about certain of our legal proceedings in Part I, Item 3 of our Annual Report on Form 10-K for the year ended December 31, 2011. For an update to those disclosures, see Note 7 -*Contingencies and Commitments* to Consolidated Condensed Financial Statements.

Item 1A. Risk Factors

Information regarding risk factors affecting our business is discussed in our Annual Report on Form 10-K for the year ended December 31, 2011. There have been no material changes from those risk factors during the nine months ended September 30, 2012.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

There were no repurchases by the Company of its equity securities during the nine months ended September 30, 2012. The Company acquired 19,657 shares from several employees in connection with the settlement of income tax and related benefit withholding obligations arising from vesting in restricted stock units.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Section 1503 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") requires domestic mine operators to disclose violations and orders issued under the Federal Mine Safety and Health Act of 1977 (the "Mine Act") by the federal Mine Safety and Health Administration. We do not act as the owner of any mines but we may act as a mining operator as defined under the Mine Act where we may be an independent contractor performing services or construction of such mine.

Information concerning mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd-Frank Act and Item 104 Regulation S-K is included in Exhibit 95.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit 2.1	Stock Purchase Agreement dated July 1, 2011 by and among Tutor Perini Corporation, Lunda Construction Company, and each of the Shareholders of Lunda Construction Company (incorporated by reference to Exhibit 2.1 to Form 8-K filed on July 6, 2011). Exhibits, schedules (or similar attachments) to the Stock Purchase Agreement are not filed. The Company will furnish supplementally a copy of any omitted exhibit or schedule to the Securities and Exchange Commission upon request.
Exhibit 2.2	Agreement and Plan of Merger dated July 1, 2011 by and among Tutor Perini Corporation, GreenStar Services Corporation, Galaxy Merger, Inc., and GreenStar IH Rep LLC (incorporated by reference to Exhibit 2.2 to Form 8-K filed on July 6, 2011). Exhibits, schedules (or similar attachments) to the Agreement and Plan of Merger are not filed. The Company will furnish supplementally a copy of any omitted exhibit or schedule to the Securities and Exchange Commission upon request.
Exhibit 3.1	Restated Articles of Organization (incorporated by reference to Exhibit 4 to Form S-2 (File No. 33-28401) filed on April 28, 1989).
Exhibit 3.2	Articles of Amendment to the Restated Articles of Organization of Perini Corporation (incorporated by reference to Exhibit 3.2 to Form S-1 (File No. 333-111338) filed on December 19, 2003).
Exhibit 3.3	Articles of Amendment to the Restated Articles of Organization of Perini Corporation (incorporated by reference to Exhibit 3.1 to Form 8-K filed on April 12, 2000).
Exhibit 3.4	Articles of Amendment to the Restated Articles of Organization of Perini Corporation (incorporated by reference to Exhibit 3.1 to Form 8-K filed on September 11, 2008).
Exhibit 3.5	Articles of Amendment to the Restated Articles of Organization of Perini Corporation (incorporated by reference to Exhibit 3.5 to Form 10-Q filed on August 10, 2009).
Exhibit 3.6	Second Amended and Restated By-laws of Tutor Perini Corporation (incorporated by reference to Exhibit 3.1 to Form 8-K filed on November 24, 2009).
Exhibit 4.1	Shareholders Agreement, dated as of April 2, 2008, by and among Tutor Perini Corporation, Ronald N. Tutor and the shareholders of Tutor-Saliba Corporation signatory thereto (incorporated by reference to Exhibit 4.1 to Form 8-K filed on April 7, 2008).
Exhibit 4.2	Amendment No. 1 to the Shareholders Agreement, dated as of September 17, 2010, by and between Tutor Perini Corporation and Ronald N. Tutor, as shareholder representative (incorporated by reference to Exhibit 4.1 to Form 8-K filed on September 20, 2010).
Exhibit 4.3	Amendment No. 2 to the Shareholders Agreement, dated as of June 2, 2011, by and between Tutor Perini Corporation and Ronald N. Tutor, as shareholder representative (incorporated by reference to Exhibit 4.1 to Form 8-K filed on June 6, 2011).
Exhibit 4.4	Amendment No. 3 to the Shareholders Agreement, dated as of September 13, 2011, by and between Tutor Perini Corporation and Ronald N. Tutor, as shareholder representative (incorporated by reference to Exhibit 4.1 to Form 8-K filed on September 16, 2011).
Exhibit 4.5	Indenture, dated October 20, 2010, by and among Tutor Perini Corporation, certain subsidiary guarantors named therein and Wilmington Trust FSB, as trustee (incorporated by reference to Exhibit 4.1 to Form 8-K filed on October 21, 2010).

Exhibit 4.6	Registration Rights Agreement dated October 20, 2010, by and among Tutor Perini Corporation, certain subsidiary guarantors named therein and the initial purchasers named therein (incorporated by reference to Exhibit 4.2 to Form 8-K filed on October 21, 2010).
Exhibit 10.1	Employment Agreement dated as of June 1, 2012, by and between Tutor Perini Corporation and Ronald N. Tutor (incorporated by reference to Exhibit 10.1 to Form 8-K filed on June 1, 2012).
Exhibit 10.2	Fifth Amended and Restated Credit Agreement, dated as of August 3, 2011, among Tutor Perini Corporation, the subsidiaries of Tutor Perini named therein, and Bank of America, N.A., and the other lenders that are parties thereto (incorporated by reference to Exhibit 10.3 to Form 10-Q filed on August 4, 2011).
Exhibit 10.3	First Amendment to Fifth Amended and Restated Credit Agreement, dated as of August 2, 2012, among Tutor Perini Corporation, the subsidiaries of Tutor Perini named therein, and Bank of America, N.A., and the other lenders that are parties thereto – (incorporated by reference to Exhibit 10.3 to Form 10-Q filed on August 7, 2012).
Exhibit 10.4	Promissory Note, dated July 1, 2011, issued by Tutor Perini Corporation to GreenStar IH Rep LLC, in its capacity as the Interest Holder Representative on behalf of certain equity holders of GreenStar (incorporated by reference to Exhibit 10.1 to Form 8-K filed on July 6, 2011).
Exhibit 31.1	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 – filed herewith.
Exhibit 31.2	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 – filed herewith.
*Exhibit 32.1	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 – filed herewith.
*Exhibit 32.2	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 – filed herewith.
Exhibit 95	Mine Safety Disclosure – filed herewith.
**Exhibit 101	The following materials from Tutor Perini Corporation's Quarterly Report on Form 10-Q for the quarter ended September 30, 2012, formatted in XBRL (eXtensible Business Reporting Language): (1) Consolidated Condensed Statements of Operations for the three and nine months ended September 30, 2012 and 2011, (2) Consolidated Condensed Balance Sheets as of September 30, 2012 and December 31, 2011, (3) Consolidated Condensed Statements of Comprehensive Income for the three and nine months ended September 30, 2012 and 2011, (4) Consolidated Condensed Statements of Stockholders' Equity for the nine months ended September 30, 2012, (5) Consolidated Condensed Statements of Cash Flows for the nine months ended September 30, 2012 and 2011 and (6) Notes to Consolidated Condensed Financial Statements.

*These certifications are being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and are not being filed as part of this Quarterly Report on Form 10-Q or as a separate disclosure document.

**Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Tutor Perini Corporation
Registrant

Date: November 1, 2012

/s/Michael J. Kershaw
Michael J. Kershaw, Executive Vice President and Chief Financial Officer
Duly Authorized Officer and Principal Financial Officer

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Ronald N. Tutor, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Tutor Perini Corporation (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 1, 2012

/s/Ronald N. Tutor
Ronald N. Tutor
Chairman and Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael J. Kershaw, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Tutor Perini Corporation (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 1, 2012

/s/Michael J. Kershaw
Michael J. Kershaw
Executive Vice President and Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Tutor Perini Corporation (the "Company") on Form 10-Q for the period ending September 30, 2012 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ronald N. Tutor, Chairman and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 1, 2012

/s/Ronald N. Tutor
Ronald N. Tutor
Chairman and Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to Tutor Perini Corporation and will be retained by Tutor Perini Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Tutor Perini Corporation (the "Company") on Form 10-Q for the period ending September 30, 2012 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael J. Kershaw, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 1, 2012

/s/Michael J. Kershaw
Michael J. Kershaw
Executive Vice President and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Tutor Perini Corporation and will be retained by Tutor Perini Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 95

MINE SAFETY DISCLOSURE

Section 1503 of the Dodd-Frank Wall Street Reform and Consumer Protection Act requires domestic mine operators to disclose violations and orders issued under the Federal Mine Safety and Health Act of 1977 (the "Mine Act") by the federal Mine Safety and Health Administration ("MSHA"). We do not act as the owner of any mines but we may act as a mining operator as defined under the Mine Act where we may be an independent contractor performing services or construction of such mine. Due to timing and other factors, the data may not agree with the mine data retrieval system maintained by MSHA.

The following table provides information for the 3rd Quarter 2012.

Mine/MSHA Identification # (1)	Mine Act §104 Violations (2)	Mine Act §104(b) Orders (3)	Mine Act §104(d) Citations and Orders (4)	Mine Act §110(b)(2) Violations (5)	Mine Act §107(a) Orders (6)	Proposed Assessments from MSHA (In dollars ($))	Mining Related Fatalities	Mine Act §104(e) Notice (yes/no) (7)	Pending Legal Action before Federal Mine Safety and Health Review Commission (yes/no)
3Q2012									
Barrick Cortez	2	0	0	0	0	Pending	0	No	No
Gibson South	1	0	0	0	0	$ 540	0	No	No
Century Slope	0	0	0	0	0	$ -	0	No	No
White Oak	1	0	0	0	0	$ 540	0	No	No
White Oak	1	0	0	0	0	Pending	0	No	No
Oaktown Fuels	0	0	0	0	0	$ -	0	No	No
Shoal Creek	2	0	0	0	0	$ 1,080	0	No	No
Williamson Energy	0	0	0	0	0	$ -	0	No	No

(1) United States mines.

(2) The total number of violations received from MSHA under §104 of the Mine Act, which includes citations for health or safety standards that could significantly and substantially contribute to a serious injury if left unabated.

(3) The total number of orders issued by MSHA under §104(b) of the Mine Act, which represents a failure to abate a citation under §104(a) within the period of time prescribed by MSHA.

(4) The total number of citations and orders issued by MSHA under §104(d) of the Mine Act for unwarrantable failure to comply with mandatory health or safety standards.

(5) The total number of flagrant violations issued by MSHA under §110(b)(2) of the Mine Act.

(6) The total number of orders issued by MSHA under §107(a) of the Mine Act for situations in which MSHA determined an imminent danger existed.

(7) A written notice from the MSHA regarding a pattern of violations, or a potential to have such pattern under §104(e) of the Mine Act.